

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
STATEMENT OF NET POSITION--ENTERPRISE FUND SEPTEMBER 30, 2021	14
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION--ENTERPRISE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021	15
STATEMENT OF CASH FLOWS--ENTERPRISE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2021	16
NOTES TO THE FINANCIAL STATEMENTS	18
SUPPLEMENTARY INFORMATION:	
Independent Auditors' Report on Supplementary Information	33
SCHEDULE I - Financial Data Schedule - Balance Sheet September 30, 2021	35
SCHEDULE II - Financial Data Schedule - Income Statement For the Year Ended September 30, 2021	38

TABLE OF CONTENTS, CONTINUED

	<u>PAGE</u>
SUPPLEMENTARY INFORMATION, CONTINUED:	
SCHEDULE III - Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2021	43
SCHEDULE IV - Statement of Capital Fund Program (Completed) From Inception through September 30, 2021	44
SCHEDULE V- Statement of Capital Fund Program (Incomplete) From Inception Through September 30, 2021	45
SCHEDULE VI - Schedule of Compensation, Benefits and Other Payments to the Executive Director For the Year Ended September 30, 2021	46
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	47
SUMMARY SCHEDULE OF FINDING AND RESPONSE FOR THE YEAR ENDED SEPTEMBER 30, 2021:	
Section I - Summary of Auditors' Results	50
Section II - Financial Statement Findings and Questioned Costs ...	52
Section III - Federal Award Findings and Questioned Costs	54
Section IV - Status of Prior Year's Findings and Questioned Costs	55
EXIT CONFERENCE	57

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Housing Authority of the City of Winnfield (HACW)**, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise **HACW's** financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

Auditors' Responsibility, Continued

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

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

Opinion

In our opinion, the financial statements previously referred to present fairly, in all material respects, the respective financial position of HACW as of September 30, 2021, and the respective changes in fund net position and cash flows of its enterprise fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 13 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022 on our consideration of HACW's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HACW's internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 31, 2022

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

INTRODUCTION TO FINANCIAL STATEMENTS

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

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

HACW based on the requirements of GASB 34, as amended, has only one fund, the Enterprise Fund, and engages in only one type of activity. A Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position shown on pages 14 and 15, show the results of operations and financial position using the *total economic resources* measurement focus and the *accrual basis* of accounting, which emphasize the long-term financial picture and are very similar to the financial statements of private sector for profit enterprises.

The following is a discussion and analysis of **HACW's** financial activities for the years ended September 30, 2021 and 2020. This discussion and analysis should be read in conjunction with **HACW's** accompanying audited financial statements.

Fund Financial Statements

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

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

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

Fund Financial Statements, Continued

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

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

USING THIS ANNUAL REPORT

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

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

FINANCIAL HIGHLIGHTS

- HACW's assets exceeded its liabilities by \$3,068,343 and \$3,204,508, respectively for the years ended September 30, 2021 and 2020.
- Of this amount \$1,095,398 and \$1,091,743 of unrestricted net position for each period, may be used to meet HACW's ongoing obligations to citizens and creditors.
- The remainder of \$1,972,945 and \$2,112,765, respectively represent a restriction equal to the net amount of investment in land, building and building improvements, and equipment.
- HACW's most significant asset at September 30, 2021 and 2020 were capital assets of \$1,972,945 and \$2,112,765, respectively.

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

FINANCIAL HIGHLIGHTS, CONTINUED

- **HACW's** significant operating expenses for the years ended September 30, 2021 and 2020 were salaries and related benefits, depreciation, contractual services, and insurance premiums.
- Operating grants from the Federal government constitutes 57% in 2021 and 51% in 2020 of its total operating revenues, with total dwelling revenues accounting for 42% of its total operating revenues for the year ended September 30, 2021 and 48% for 2020. Fees and charges constitute 1%, respectively for 2021 and 2020.
- Capital grants for modernization and management improvements were \$20,040 and \$32,987, respectively for the years ended September 30, 2021 and 2020.

OVERVIEW AND HIGHLIGHTS OF FINANCIAL STATEMENTS

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

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

The following provides condensed information from the Statement of Net Position as of September 30, 2021 and 2020.

	Condensed Statement of Net Position September 30	
	<u>2021</u>	<u>2020</u>
Current assets	\$1,205,469	\$1,178,359
Non-current assets	<u>1,972,945</u>	<u>2,112,765</u>
Total assets	<u>3,178,414</u>	<u>3,291,124</u>
Current liabilities	110,071	68,554
Non-current liabilities	<u>-0-</u>	<u>18,062</u>
Total liabilities	<u>110,071</u>	<u>86,616</u>
Net position	<u>\$3,068,343</u>	<u>\$3,204,508</u>

OVERVIEW AND HIGHLIGHTS OF FINANCIAL STATEMENTS, CONTINUED

The following provides condensed information from the Statement of Revenues, Expenses and Changes in Net Position for the years ended September 30, 2021 and 2020:

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

	<u>2021</u>	<u>2020</u>
Operating revenues	\$ 611,107	\$ 590,202
Operating expenses	<u>(836,777)</u>	<u>(732,337)</u>
Operating income (loss)	<u>(225,670)</u>	<u>(142,135)</u>
Non-operating revenues	<u>57,075</u>	<u>130,123</u>
Capital contributions	<u>20,040</u>	<u>32,987</u>
Change in net position	(148,555)	20,975
Net position as restated, beginning of year	<u>3,216,898</u>	<u>3,183,533</u>
Net position, end of year	<u>\$3,068,343</u>	<u>\$3,204,508</u>

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

Also, see page 15 for a display of the components of operating revenues, operating expenses and nonoperating revenues.

EXPLANATION OF FINANCIAL ANALYSIS

Changes in current assets for 2021 resulted primarily from the timing of receipt of funds and payments to vendors. This resulted in an increase in cash balance at September 30, 2021.

For 2021, the increase in current liabilities was associated with the payable for compensated absences to all employees who resigned from HACW on September 30, 2021, and were paid in November 2021.

Further, change in net position was \$(148,555) and \$20,975 for the years ended September 30, 2021 and 2020, respectively. The primary cause for the change during 2021 and 2020, was the level of funding received from HUD for operating and modernization and management improvement project grants, and financing of the Rental Assistance Demonstration Program (RAD) for \$73,750 in 2021 and for 2020, proceeds from an insurance settlement.

Changes in current assets for 2020 resulted primarily from the receipt of proceeds from an insurance settlement in July 2020. The impact coupled with the timing of receipt of funds and payments to vendors, resulted in an increase in cash balance at September 30, 2020.

For 2020, the decrease in current liabilities was associated with the timing in vendor payments.

Further, change in net position was \$20,975 and \$(157,943) for the years ended September 30, 2020 and 2019, respectively. The primary cause for the change during 2020 and 2019, was the level of funding received from HUD for operating and modernization and management improvement project grants, and for 2020 proceeds from an insurance settlement.

For 2021, a comparison to prior fiscal year reflects a decrease in total operating and nonoperating revenues by \$52,143. Further, capital contributions from the Capital Funds Program decreased by \$12,947 in 2021. This net change in total revenues resulted from a combination of larger offsetting factors.

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

Reasons for most of these changes are listed below:

- Federal revenues for 2021 from HUD for operations increased to \$347,458 compared to \$304,427 in 2020 principally due to the determination of HACW's operating subsidy which is based upon a three year rolling average of past operations.
- Capital Funds for new construction and modernization projects decreased from \$32,987 in 2020 to \$20,040 during the year ended September 30, 2021. The decrease was due to funding available for modernization projects during 2021.
- There was no insurance settlement proceed in 2021 versus \$88,274 in 2020.
- Tenant revenues decreased from \$280,693 in 2020 to \$255,107 for the year ended September 30, 2021. The decrease was due in part to changes in tenant personal income which serves as the basis for tenant rent payment level calculation and leased-up levels in 2021 compared to 2020.

In comparison to prior year, total operating expenses increased from \$732,337 in 2020 to \$836,777 in 2021.

Reasons for this change are as follows:

- Increase in salaries and related benefits from \$211,884 in 2020 to \$232,048 in 2021 was primary due to inflationary adjustments for employees through the year ended September 30, 2021. Contractual services increased from \$160,095 in 2020 to \$193,261 in 2021 due in part to RAD conversion costs. Also, depreciation expense in 2020 was \$158,009 to \$159,860 in 2021. The increase was due to a change in the depreciable base in 2021.

For 2020, a comparison to prior fiscal year reflects an increase in total operating and nonoperating revenues by \$96,161. Further, capital contributions from the Capital Funds Program increased by \$20,037 in 2020. This net change in total revenues resulted from a combination of larger offsetting factors.

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

Reasons for most of these changes are listed below:

- Federal revenues for 2020 from HUD for operations increased to \$304,427 compared to \$244,544 in 2019 principally due to the determination of HACW's operating subsidy which is based upon a three year rolling average of past operations.
- Capital Funds for new construction and modernization projects increased from \$12,950 in 2019 to \$32,987 during the year ended September 30, 2020. The increase was due to funding available for modernization projects during 2020.
- In July 2020 HACW received proceeds from an insurance settlement.
- Tenant revenues decreased from \$330,482 in 2019 to \$280,693 for the year ended September 30, 2020. The decrease was due in part to changes in tenant personal income which serves as the basis for tenant rent payment level calculation and leased-up levels in 2020 compared to 2019.

In comparison to prior year, total operating expenses decreased from \$795,057 in 2019 to \$732,337 in 2020.

Reasons for this change are as follows:

- Decrease in salaries and related benefits from \$215,776 in 2019 to \$211,884 in 2020 due the number of employees hired through the year ended September 30, 2020. Contractual services increased from \$158,826 in 2019 to \$160,095 in 2020. Also, depreciation expense in 2019 was \$225,908 to \$158,009 in 2020. The decrease was due to a lower depreciable base in 2020.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

HACW's investment in capital assets amount to \$1,972,945 and \$2,112,765 net of accumulated depreciation of \$6,880,609 and \$6,720,749, respectively at September 30, 2021 and 2020.

A summary of its composition follows:

	September 30,	
	<u>2021</u>	<u>2020</u>
Capital assets	\$ 8,853,554	\$ 8,833,514
Less accumulated depreciation	<u>(6,880,609)</u>	<u>(6,720,749)</u>
Capital assets, net	<u>\$ 1,972,945</u>	<u>\$ 2,112,765</u>

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

DEBT

At September 30, 2021 and 2020, HACW had no debt obligations in the form of loans, bonds, mortgages, etc.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

With the conversion to the RAD program, HACW will be primarily dependent on rental income and resources from the market place.

SUBSEQUENT EVENTS

On October 7, 2021, HACW through an act of credit sale sold its buildings and improvements to the Winnfield Housing Partners, LLC and ultimately appearing through its manager Winnfield Development Corporation, Inc., for \$1,600,000.

Further, all employees of HACW were terminated on September 30, 2021, and rehired by Winnfield Development Corporation, Inc., effective November 1, 2021.

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

REQUEST FOR INFORMATION

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

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF NET POSITION--ENTERPRISE FUND
SEPTEMBER 30, 2021

ASSETS

Current Assets:

Cash (NOTE 2)	\$1,095,235
Restricted cash (NOTE 3)	10,066
Amounts receivable, net (NOTE 11)	52,319
Prepaid items and other (NOTE 9)	<u>47,849</u>
Total current assets	<u>1,205,469</u>

Non-Current Assets:

Capital assets, net (NOTES 4, AND 10)	1,972,945
Total non-current assets	<u>1,972,945</u>
Total assets	<u>3,178,414</u>

LIABILITIES

Current Liabilities:

Amounts and other payable (NOTE 5)	49,913
Compensated absences payable-current portion (NOTE 14)	48,264
Security and pet deposits held for tenants (NOTE 3)	10,066
Unearned revenues	<u>1,828</u>
Total current liabilities	<u>110,071</u>
Total liabilities	<u>110,071</u>

NET POSITION

Net investment in capital assets (NOTE 4)	1,972,945
Unrestricted	<u>1,095,398</u>
Total net position	<u>\$3,068,343</u>

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

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION--ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Operating Revenues:	
HUD operating grant	\$ 347,458
Dwelling rental	255,107
Fees and charges	<u>8,542</u>
Total operating revenues	<u>611,107</u>
Operating Expenses:	
Salaries and employee benefits	232,048
Compensated absences	18,879
Materials	16,757
Contractual services	193,261
Utilities	15,165
Depreciation	159,860
Insurance	64,068
Training, convention and travel	5,152
Office supplies	9,146
Postage and publication	1,709
General	87,278
Telephone	8,191
Membership dues	264
Payment in lieu of taxes	<u>24,999</u>
Total operating expenses	<u>836,777</u>
Operating loss	<u>(225,670)</u>
Non-operating Revenues:	
Administrative fees and other income	55,951
Interest income	<u>1,124</u>
Total non-operating revenues	<u>57,075</u>
Capital Contributions:	
HUD capital grants	<u>20,040</u>
Total capital contributions	<u>20,040</u>
Change in net position	<u>(148,555)</u>
Net position, as previously reported	<u>3,204,508</u>
Prior period adjustment (NOTE 18)	<u>12,390</u>
Net position as restated, beginning of year	<u>3,216,898</u>
Net position, end of year	<u>\$3,068,343</u>

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

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF CASH FLOWS--ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Cash Flows Used by Operating Activities:	
HUD operating grants	\$ 337,375
Receipts from tenants	253,649
Receipt of interest income	1,124
Receipt of management fees	59,601
Payments to vendors	(462,431)
Payments to employees and related benefits	<u>(227,980)</u>
Net cash used by operating activities	<u>(38,662)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	<u>(20,040)</u>
Cash used by capital and related financing activities	<u>(20,040)</u>
Cash Flows from Noncapital Financing Activities:	
Capital contributions	<u>71,443</u>
Cash provided by noncapital and related financing activities	<u>71,443</u>
Net increase in cash	12,741
Cash, beginning of year	<u>1,092,560</u>
Cash, end of year	<u>\$1,105,301</u>
NOTE:	
Cash	\$1,095,235
Restricted cash	<u>10,066</u>
Total cash	<u>\$1,105,301</u>

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

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF CASH FLOWS--ENTERPRISE FUND, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Reconciliation of Operating Loss to Net Cash Used By

Operating Activities:

Operating loss \$ (225,670)

Adjustments to reconcile operating loss to net cash used

by operating activities:

Depreciation 159,860

Changes in assets and liabilities:

Increase in amounts receivable (7,891)

Increase in prepaid items and other (6,478)

Increase in amounts and other payable 991

Increase in compensated absences payable 41,237

Decrease in security deposits held for tenants (1,100)

Increase in unearned revenues 389

Net cash used by operating activities \$ (38,662)

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

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

NOTE 1 - Summary of Significant Accounting Policies:

Background

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

As of September 30, 2021, **HACW** was primarily engaged in the administration of Low-Rent Public Housing Program to low-income residents in Winnfield, Louisiana.

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

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

Financial Reporting Entity

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

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

1. Appointing a majority of an organization's governing body, and;

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Financial Reporting Entity, Continued

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

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

Basis of Presentation

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

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Basis of Presentation, Continued

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

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

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

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

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting and Financial Statement of Presentation

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

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

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

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

Operating expenses are displayed by their natural classification.

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Net Position

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

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

Budgets

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Estimates

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

Amounts Receivable

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

Statement of Cash Flows

For purposes of the statement of cash flows, **HACW** considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash and temporary cash investments. At September 30, 2021, temporary cash investments were \$-0-.

Capital Assets

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

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Capital Assets, Continued

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

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

Under accounting principles generally accepted in the United States of America, long lived assets are to be reviewed for impairment. If the sum of the expected future cash flow is less than the carrying value amount of the asset, an impairment loss should be recognized. At September 30, 2021, management has determined that there are no assets subject to the requirements of GASB No. 42 "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries".

Compensated Absences

HACW follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under those regulations, employees may accumulate up to three hundred (300) hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

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

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

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Interprogram Activities

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

Use of Restricted Resources

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

NOTE 2 - Cash:

At September 30, 2021, the carrying amount of **HACW's** cash deposits was \$1,095,235 and the cumulative bank balance was \$1,123,184. The bank balance is covered by federal depository insurance and collateral held by the pledging institution's agent in **HACW's** name.

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

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

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

NOTE 2 - Cash, Continued:

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

NOTE 3 - Restricted Cash:

At September 30, 2021, restricted carrying cash and bank balance consisted of \$10,066 in security and pet deposits received and held on behalf of tenants. These deposits are stated at cost, which approximates market.

NOTE 4 - Capital Assets, Net:

At September 30, 2021, capital assets, net consisted of the following:

	Balance <u>October 1, 2020</u>	<u>Addition</u>	Balance <u>September 30, 2021</u>
Land and land improvements	\$ 360,222	\$ -0-	\$ 360,222
Buildings and building improvements	8,231,596	20,040	8,251,636
Equipment	<u>241,696</u>	<u>-0-</u>	<u>241,696</u>
Sub-total	8,833,514	20,040	8,853,554
Less accumulated depreciation	<u>(6,720,749)</u>	<u>(159,860)</u>	<u>(6,880,609)</u>
Total	<u>\$ 2,112,765</u>	<u>\$(139,820)</u>	<u>\$ 1,972,945</u>

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

NOTE 5 - Amounts and Other Payable:

At September 30, 2021, amounts and other payable consisted of the following:

Accounts payable - vendors	\$14,010
Accrued payroll, payroll taxes and other withholding payables	10,904
Payments in lieu of taxes	<u>24,999</u>
Total	<u>\$49,913</u>

NOTE 6 - Risk Management:

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

NOTE 7 - Concentration of Credit Risk:

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

NOTE 8 - Contingencies:

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

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

NOTE 9 - Prepaid Items and Other:

At September 30, 2021, prepaid items and other consisted of the following:

Prepaid insurance	\$39,000
Prepaid computer support services	5,431
Inventories	<u>3,601</u>
Sub-total	48,032
Less allowance for obsolescence	<u>(183)</u>
Total	<u>\$47,849</u>

NOTE 10 - Commitments:

At September 30, 2021, **HACW** has executed agreements with HUD totaling \$979,305 for various modernization and capital project activities in progress. Balance of funds remaining at September 30, 2021 was \$785,001 (see Schedule V).

NOTE 11 - Amounts Receivable, Net:

At September 31, 2021, amounts receivable, net consisted of the following:

Amounts receivable - tenant	\$ 9,810
Amounts receivable - HUD	38,042
Amounts receivable - other	<u>4,467</u>
Total	<u>\$52,319</u>

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

NOTE 12 - Per Diem to Board Members:

During the year ended September 30, 2021, board members received per diem in their capacity as commissioners at a rate of \$50 per board meeting attended. Total payments to all commissioners for the year ended September 30, 2021 were \$1,000.

NOTE 13 - Retirement System:

Plan Description

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

Plan Funding

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

HACW's gross payroll for participating employees for the year ended September 30, 2021 was \$140,225. HACW and employee contributions made using base salary amounted to \$11,218 and \$4,254, respectively.

As further discussed in NOTE 14, HACW's retirement plan funding was assumed by Winnfield Development Corporation, Inc., effective November 1, 2021.

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

NOTE 14 - Changes in Compensated Absences Payable:

The following is a summary of changes in compensated absences payable at September 30, 2021:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Beginning of year	\$ 7,027	\$ 18,062	\$ 25,089
Addition and reclass	41,237	-0-	41,237
Reduction	<u>-0-</u>	<u>(18,062)</u>	<u>(18,062)</u>
End of year	<u>\$ 48,264</u>	<u>\$ -0-</u>	<u>\$ 48,264</u>

Of the total noncurrent liabilities at September 30, 2021 approximately \$-0- is due within one year of September 30, 2021.

On September 30, 2021, all HACW employees were terminated and rehired by Winnfield Development Corporation, Inc. This transaction cumulated with the final phase of the Rental Assistance Demonstration Program (RAD) program which seeks to preserve public housing by providing public housing agencies, such as HACW, with access to more stable funding to make needed improvements to properties. RAD provides a way to rehabilitate, or repair, units without depending on additional money from the public sector.

See additional discussion at NOTE 15.

NOTE 15 - Rental Assistance Demonstration Program Conversion:

On October 27, 2021, HACW through an act of credit sale sold its buildings and improvements to the Winnfield Housing Partners, LLC, a Louisiana Limited Liability Company, appearing through its managing partner WDC Neil Wagner, LLC, a Louisiana Limited Liability Company appearing through its manager Winnfield Development Corporation, Inc., a Louisiana Nonprofit Corporation.

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

NOTE 16 - CORONA Virus:

On January 30, 2020, the World Health Organization declared the Corona Virus "COVID-19" as a global health emergency. On March 13, 2020, the President of the United States of America declared a national emergency. At March 31, 2021, management of HACW continues to assess the impact of COVID-19 on its overall operations. Further, on March 16, 2022, the Governor for the State of Louisiana's guidelines and executive orders pertaining to COVID-19 expired.

NOTE 17 - Related Party Transactions and Common Control:

All members of HACW board of commissioners were members of the board of directors of the Winnfield Development Corporation, Inc., until their resignation on September 28, 2021.

NOTE 18 - Prior Period Adjustment:

The prior period adjustment for \$12,390 corrects an understatement of operating subsidy for the year ended September 30, 2020.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

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

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

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

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

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

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 31, 2022

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE--BALANCE SHEET
SEPTEMBER 30, 2021**

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>		<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Public Housing Cares Act Operating Funding</u>	<u>Business Activity</u>	
111	Cash - unrestricted	\$ 970,334	\$ -0-	\$-0-	\$124,901	\$1,095,235
114	Cash - tenant security deposits	<u>10,066</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,066</u>
100	Total cash	<u>980,400</u>	<u>-0-</u>	<u>-0-</u>	<u>124,901</u>	<u>1,105,301</u>
122	Accounts receivable - HUD other projects	38,042	-0-	-0-	-0-	38,042
124	Accounts receivable - other government	-0-	-0-	-0-	4,467	4,467
126	Accounts receivable - tenants	<u>9,810</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>9,810</u>
120	Total receivables, net of allowance for doubtful accounts	<u>47,852</u>	<u>-0-</u>	<u>-0-</u>	<u>4,467</u>	<u>52,319</u>
142	Prepaid expenses and other assets	44,431	-0-	-0-	-0-	44,431
143	Inventories	3,601	-0-	-0-	-0-	3,601
143.1	Allowance for obsolete inventories	<u>(183)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(183)</u>
150	Total current assets	<u>1,076,101</u>	<u>-0-</u>	<u>-0-</u>	<u>129,368</u>	<u>1,205,469</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE--BALANCE SHEET, CONTINUED
SEPTEMBER 30, 2021

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>		<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Public Housing Cares Act Operating Funding</u>	<u>Business Activity</u>	
161	Land	\$ 360,222	\$ -0-	\$-0-	\$ -0-	\$ 360,222
162	Buildings	8,231,596	20,040	-0-	-0-	8,251,636
163	Furniture, equipment and machinery - dwellings	142,319	-0-	-0-	-0-	142,319
164	Furniture, equipment and machinery - administration	99,377	-0-	-0-	-0-	99,377
166	Accumulated depreciation	<u>(6,880,609)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(6,880,609)</u>
160	Total capital assets, net accumulated depreciation	<u>1,952,905</u>	<u>20,040</u>	<u>-0-</u>	<u>-0-</u>	<u>1,972,945</u>
180	Total non-current assets	<u>1,952,905</u>	<u>20,040</u>	<u>-0-</u>	<u>-0-</u>	<u>1,972,945</u>
290	Total assets	<u>\$ 3,029,006</u>	<u>\$20,040</u>	<u>\$-0-</u>	<u>\$129,368</u>	<u>\$ 3,178,414</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE—BALANCE SHEET, CONTINUED
SEPTEMBER 30, 2021

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>		<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Public Housing Cares Act Operating Funding</u>	<u>Business Activity</u>	
312	Accounts payable ≤ 90 days	\$ 12,810	\$ -0-	\$-0-	\$ 1,200	\$ 14,010
321	Accrued wage-payroll taxes payable	10,904	-0-	-0-	-0-	10,904
322	Accrued compensation absences - current	48,264	-0-	-0-	-0-	48,264
333	Accounts payable - other government	24,999	-0-	-0-	-0-	24,999
341	Tenant security deposits	10,066	-0-	-0-	-0-	10,066
342	Unearned revenue	<u>1,828</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,828</u>
310	Total current liabilities	<u>108,871</u>	<u>-0-</u>	<u>-0-</u>	<u>1,200</u>	<u>110,071</u>
354	Accrued compensated absences - noncurrent	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
350	Total non-current liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
300	Total liabilities	<u>108,871</u>	<u>-0-</u>	<u>-0-</u>	<u>1,200</u>	<u>110,071</u>
508.4	Net investment in capital assets	1,952,905	20,040	-0-	-0-	1,972,945
512.4	Unrestricted net position	<u>967,230</u>	<u>-0-</u>	<u>-0-</u>	<u>128,168</u>	<u>1,095,398</u>
513	Total net position	<u>2,920,135</u>	<u>20,040</u>	<u>-0-</u>	<u>128,168</u>	<u>3,068,343</u>
600	Total liabilities and equity/net position	<u>\$3,029,006</u>	<u>\$20,040</u>	<u>\$-0-</u>	<u>\$129,368</u>	<u>\$3,178,414</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE-INCOME STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>		<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Public Housing Cares Act Operating Funding</u>	<u>Business Activity</u>	
70300	Net tenant rental revenue	\$255,107	\$ -0-	\$ -0-	\$ -0-	\$255,107
70400	Tenant revenue - other	<u>8,542</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,542</u>
70500	Total tenant revenue	<u>263,649</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>263,649</u>
70600	HUD PHA operating grants	247,487	64,198	35,773	-0-	347,458
70610	Capital grants	-0-	20,040	-0-	-0-	20,040
71100	Investment income - unrestricted	1,124	-0-	-0-	-0-	1,124
71500	Other revenue	<u>4,090</u>	<u>-0-</u>	<u>-0-</u>	<u>51,861</u>	<u>55,951</u>
70000	Total revenue	<u>516,350</u>	<u>84,238</u>	<u>35,773</u>	<u>51,861</u>	<u>688,222</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE CITY OF WINNFELD
WINNFELD, LOUISIANA
FINANCIAL DATA SCHEDULE—INCOME STATEMENT, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>		<u>Total Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Public Housing Cares Act Operating Funding</u>	<u>Business Activity</u>	
91100	Administrative salaries	\$120,857	\$ -0-	\$22,347	\$ -0-	\$ 143,204
91200	Auditing fees	16,800	-0-	-0-	-0-	16,800
91500	Employee benefit contributions-administrative	44,026	-0-	-0-	-0-	44,026
91600	Office expense	57,545	-0-	6,708	8,639	72,892
91700	Legal expense	513	-0-	-0-	-0-	513
91900	Other	<u>143,800</u>	<u>-0-</u>	<u>369</u>	<u>-0-</u>	<u>144,169</u>
91000	Total operating - administrative	<u>383,541</u>	<u>-0-</u>	<u>29,424</u>	<u>8,639</u>	<u>421,604</u>
93100	Water	2,225	-0-	152	-0-	2,377
93200	Electricity	11,139	-0-	-0-	-0-	11,139
93300	Gas	<u>1,649</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,649</u>
	Total utilities	<u>15,013</u>	<u>-0-</u>	<u>152</u>	<u>-0-</u>	<u>15,165</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE—INCOME STATEMENT, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>		<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Public Housing Cares Act Operating Funding</u>	<u>Business Activity</u>	
94100	Ordinary maintenance and operations- labor	\$ 31,460	\$ -0-	\$ -0-	\$ -0-	\$ 31,460
94200	Ordinary maintenance and operations- material and other	10,560	-0-	6,197	-0-	16,757
94300-010	Ordinary maintenance and operations contracts- garbage	18,954	-0-	-0-	-0-	18,954
94300-020	Ordinary maintenance and operations contracts- heating and cooling contracts	4,499	-0-	-0-	-0-	4,499
94300-050	Ordinary maintenance and operations contracts- landscape and ground contracts	24,812	-0-	-0-	-0-	24,812
94300-090	Ordinary maintenance and operations- extermination contracts	5,202	-0-	-0-	-0-	5,202
94300-120	Ordinary maintenance and operations contracts- miscellaneous	17,160	-0-	-0-	-0-	17,160
94500	Employee benefit contributions- ordinary maintenance	<u>13,358</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>13,358</u>
94000	Total maintenance	<u>126,005</u>	<u>-0-</u>	<u>6,197</u>	<u>-0-</u>	<u>132,202</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE—INCOME STATEMENT, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>		<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Public Housing Cares Act Operating Funding</u>	<u>Business Activity</u>	
96110	Property insurance	\$ 48,611	\$ -0-	\$ -0-	\$ -0-	\$ 48,611
96120	Liability insurance	8,023	-0-	-0-	-0-	8,023
96130	Workmen's compensation	<u>7,434</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>7,434</u>
96100	Total insurance premiums	<u>64,068</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>64,068</u>
96210	Compensated absences	18,879	-0-	-0-	-0-	18,879
96300	Payment in lieu of taxes	<u>24,999</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>24,999</u>
96000	Total other general	<u>43,878</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>43,878</u>
96900	Total operating expenses	<u>632,505</u>	<u>-0-</u>	<u>35,773</u>	<u>8,639</u>	<u>676,917</u>
97000	Excess (deficiency) of operating revenue over (under) operating expenses	<u>(116,155)</u>	<u>84,238</u>	<u>-0-</u>	<u>43,222</u>	<u>11,305</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
FINANCIAL DATA SCHEDULE—INCOME STATEMENT, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>		<u>Total Memorandum Only</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Public Housing Cares Act Operating Funding</u>	<u>Business Activity</u>	
97400	Depreciation expense	\$ <u>159,860</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>159,860</u>
90000	Total expenses	<u>792,365</u>	<u>-0-</u>	<u>35,773</u>	<u>8,639</u>	<u>836,777</u>
10010	Operating transfer in	64,198	-0-	-0-	-0-	64,198
10020	Operating transfer (out)	<u>-0-</u>	<u>(64,198)</u>	<u>-0-</u>	<u>-0-</u>	<u>(64,198)</u>
10100	Total other financing sources (uses)	<u>64,198</u>	<u>(64,198)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
10000	Excess (deficiency) of total revenue over (under) total expenses	<u>(211,817)</u>	<u>20,040</u>	<u>-0-</u>	<u>43,222</u>	<u>(148,555)</u>
11030	Beginning equity/net position	\$ <u>3,119,562</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>84,946</u>	\$ <u>3,204,508</u>
11040	Prior period adjustment	\$ <u>12,390</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>12,390</u>
11190	Unit months available	<u>1,416</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,416</u>
11210	Number of unit months leased	<u>888</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>888</u>
11270	Excess cash	\$ <u>866,673</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	\$ <u>866,673</u>
11620	Building purchases	\$ <u>20,040</u>	\$ <u>N/A</u>	<u>N/A</u>	<u>N/A</u>	\$ <u>20,040</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE III

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
Program funded by the U.S. Department of Housing and Urban Development:		
<u>Subject to Annual Contributions Contract</u>		
Low Rent Public Housing Program	14.850	\$247,487
Capital Fund Program	14.872	84,238
Public Housing Cares Act Funding	14.PHC	<u>35,773</u>
Total		<u>\$367,498</u>

NOTE: Basis of Presentation

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

OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*) established the Single audit threshold at \$750,000.

HACW has elected not to use the 10% de minimis indirect rate.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SCHEDULE OF CAPITAL FUND PROGRAM (COMPLETED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>LA48P123501-17</u>
Funds approved	\$ 157,774
Funds expended	<u>(157,774)</u>
Excess of funds approved	\$ <u> -0-</u>
Fund advanced:	
Grant funding	\$ <u>157,774</u>
Total funds advanced	157,774
Funds expended	<u>(157,774)</u>
Excess (deficiency) of funds advanced	\$ <u> -0-</u>

NOTE: The distribution of costs as shown on the line of credit control system is in agreement with HACW's records and all cost and liabilities associated with the project have been paid.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE V

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
STATEMENT OF CAPITAL FUND PROGRAM (INCOMPLETE)
FROM INCEPTION THROUGH SEPTEMBER 30, 2021**

	<u>LA48P123501-18</u>	<u>LA48P123501-19</u>	<u>LA48P123501-20</u>	<u>LA48P123501-21</u>	<u>TOTAL</u>
Funds approved	\$ 227,324	\$ 235,934	\$251,953	\$264,094	\$ 979,305
Funds expended	<u>(194,304)</u>	<u>(-0-)</u>	<u>(-0-)</u>	<u>(-0-)</u>	<u>(194,304)</u>
Excess of funds approved	<u>\$ 33,020</u>	<u>\$ 235,934</u>	<u>\$251,953</u>	<u>\$264,094</u>	<u>\$ 785,001</u>
Fund advanced:					
Grant funding	<u>\$ 194,304</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 194,304</u>
Total funds advanced	194,304	-0-	-0-	-0-	194,304
Funds expended	<u>(194,304)</u>	<u>(-0-)</u>	<u>(-0-)</u>	<u>(-0-)</u>	<u>(194,304)</u>
Excess (deficiency) of funds advanced	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See Independent Auditors Report on Supplementary Information.

SCHEDULE VI

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

EXECUTIVE DIRECTOR:

Name: Mr. Bobby Collins

<u>Purpose</u>	<u>Amount</u>
Compensation	\$41,246
Automobile allowance	6,000
Retirement contribution	3,300
Medicare	598
Social Security	<u>2,557</u>
Total	<u>\$53,701</u>

See Independent Auditors' Report on Supplementary Information.

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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of **Housing Authority of the City of Winnfield (HACW)** as of and for the year ended September 30, 2021 and the related notes to the financial statements, and have issued our report dated March 31, 2022.

Internal Control Over Financial Reporting

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

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

(CONTINUED)

Internal Control Over Financial Reporting, Continued

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether HACW's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Summary Schedule of Finding and Response as item 2021-001.

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

(CONTINUED)

Response to Finding

HACW's response to the compliance and other matters finding identified in our audit is described in the accompanying Summary Schedule of Finding and Response under the caption "Management's Response and Planned Corrective Action" and/or "Current Status". HACW's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

Purpose of this Report

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

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

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 31, 2022

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDING AND RESPONSE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

N/A - Not Applicable

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

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

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section II - Financial Statement Findings and Questioned Costs

Reference Number

2021-001

Criteria

Management of HACW is responsible for the establishment of effective policies and procedures to ensure compliance with Federal State and Local regulations, statutes and ordinances, where applicable.

Condition

Pursuant to State of Louisiana R.S. 42:343:

- o Each public servant shall receive a minimum of one hour of education and training on preventing sexual harassment during each full calendar year of his or her public employment or term of office, as the case may be.
- o Further, HACW shall require supervisors and any person designated by HACW to accept or investigate a complaint of sexual harassment to receive additional education and training.
- o Also, HACW shall ensure that each employee is notified of its policy against sexual harassment and the mandatory training requirement on preventing sexual harassment. The Executive Director or his designee, shall be responsible for maintaining records of compliance of each employee with the mandatory training requirement. Further, each employee's record of compliance shall be a public record and available to the public in accordance with the Public Records Law.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2021-001

Condition, Continued

- o In addition, HACW shall ensure that its policy against sexual harassment and its compliance procedure is prominently posted on its website or, if HACW does not have a website, that a notice on how to obtain the information is posted in a conspicuous location in its office.

For the calendar year ended December 31, 2021, HACW was in noncompliance with the requirements of R.S. 42:343.

Cause

Lack of oversight of compliance with State of Louisiana statute R.S. 42:343.

Effect or Potential Effect

Noncompliance of State of Louisiana statute regarding sexual harassment mandatory training.

Recommendation

Management should review the requirements of R.S. 42:343 and ensure compliance.

Management's Response and Planned Corrective Action

Management has initiated the required training for its staff and anticipates compliance by no later than December 31, 2022.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended September 30, 2021.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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

Reference Number

2020-001

Criteria

Management of HACW is responsible for the establishment of effective policies and procedures to ensure compliance with Federal State and Local regulations, statutes and ordinances, where applicable.

Condition

Pursuant to State of Louisiana R.S. 42:343:

- o Each public servant shall receive a minimum of one hour of education and training on preventing sexual harassment during each full calendar year of his or her public employment or term of office, as the case may be.
- o Further, HACW shall require supervisors and any person designated by HACW to accept or investigate a complaint of sexual harassment to receive additional education and training.
- o Also, HACW shall ensure that each employee is notified of its policy against sexual harassment and the mandatory training requirement on preventing sexual harassment. The Executive Director or his designee, shall be responsible for maintaining records of compliance of each employee with the mandatory training requirement. Further, each employee's record of compliance shall be a public record and available to the public in accordance with the Public Records Law.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD
WINNFIELD, LOUISIANA
SUMMARY SCHEDULE OF FINDING AND RESPONSE, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section IV – Status of Prior Year’s Findings and Questioned Costs, Continued

Reference Number, Continued

2020-001

Condition, Continued

- o In addition, HACW shall ensure that its policy against sexual harassment and its compliance procedure is prominently posted on its website or, if HACW does not have a website, that a notice on how to obtain the information is posted in a conspicuous location in its office.

For the calendar year ended December 31, 2020, HACW was in noncompliance with the requirements of R.S. 42:343 previously listed.

Cause

Oversight of compliance with State of Louisiana statute.

Effect or Potential Effect

Noncompliance of State of Louisiana statute regarding sexual harassment mandatory training.

Recommendation

Management should review the requirements of R.S. 42:343 and ensure compliance.

Current Status

Unresolved. See current year’s finding reference number 2021-001.

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

EXIT CONFERENCE

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

Those that participated in the discussions are as follows:

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

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

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Paul K. Andoh, Sr., CPA, CGFM, CGMA, MBA	--	Partner
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**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

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

In planning and performing our audit of the financial statements of **Housing Authority of the City of Winnfield (HACW)** as of and for the year ended September 30, 2021, we considered HACW's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of HACW's internal control. Accordingly, we do not express an opinion on the effectiveness of HACW's internal control.

However, during our audit, we became aware of an other matter that provides an opportunity for HACW to strengthen its internal control and operating efficiency. We previously reported on HACW's internal control in our report dated March 31, 2022. This letter does not affect our report dated March 31, 2022, on the financial statements of HACW.

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

(CONTINUED)

***CURRENT YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2021***

Reference Number

OM 2021-001

Criteria

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

Condition

HACW's operating bank account reconciliation at September 30, 2021, revealed stale dated checks outstanding totaling \$3,573.

Cause

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

Effect or Potential Effect

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

Recommendation

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

Management's Response and Planned Corrective Action

Management will discuss with its fee accountant to ensure the identification and timely resolve of all stale dated checks.

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

(CONTINUED)

***STATUS OF PRIOR YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL
2020***

Reference Number
OM 2020-001

Criteria

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

Condition

For a sample of twenty-five (25) rent collections from tenants, we noted in four (4) instances where the collected funds were deposited outside the board authorized deposit window.

Cause

Oversight of established procedure and policy.

Effect or Potential Effect

Potential for misappropriation of funds.

Recommendation

Management should ensure that all collected funds are deposited on a timely basis pursuant to board policy.

Current Status

Resolved.

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

(CONTINUED)

***STATUS OF PRIOR YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number

OM 2020-003

Criteria

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

Condition

Our review of the depreciation schedule provided for testing revealed incorrect calculations based on work effect from the previous fee accountant.

Cause

The level of oversight afforded to fee accountant.

Effect or Potential Effect

Potential for misstatement of financial statements.

Recommendation

Management should continue to revisit and enhance the level of oversight with its monthly general ledger processing system, plan and require that all monthly transactions are executed and documented pursuant to established Board policy.

Current Status

Resolved.

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

(CONTINUED)

***STATUS OF PRIOR YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Numbers

OM 2020-002 and OM 2019-001

Criteria

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

Condition

HACW's operating bank account reconciliation at September 30, 2020, revealed stale dated checks outstanding totaling \$3,176.38.

Cause

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

Effect or Potential Effect

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

Recommendation

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

Current Status

Unresolved. See current year's other matters report reference number OM 2021-001.

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

(CONTINUED)

***STATUS OF PRIOR YEAR'S REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL, CONTINUED
2020***

Reference Number

OM 2019-002

Criteria

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

Condition

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

Cause

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

Effect or Potential Effect

Potential for inconsistent application of practices.

Recommendation

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

Current Status

Resolved.

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

(CONTINUED)

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

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

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

March 31, 2022