

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED SEPTEMBER 30, 2018

Mike Estes, P.C.
A Professional Accounting Corporation

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
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AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners
Housing Authority of Haynesville
Haynesville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the Town of Haynesville, Louisiana as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority of Haynesville basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the Town of Haynesville, Louisiana, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019 on our consideration of the Housing Authority of the Town of Haynesville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the Town of Haynesville, Louisiana's internal control over financial reporting and compliance.



Mike Estes, P.C.
Fort Worth, Texas
June 26, 2019

HOUSING AUTHORITY OF HAYNESVILLE, LA

REQUIRED SUPPLEMENTAL INFORMATION

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
September 30, 2018**

The management of Housing Authority of Haynesville, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2018. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$956,689 at the close of the fiscal year ended 2018.
 - ✓ Of this amount \$648,456 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ The remainder of \$308,233 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 43% of the total operating expenses of \$723,733 for the fiscal year 2018, which means the Authority might be able to operate about 5 months using the unrestricted assets alone, compared to 6 months in the prior fiscal year.
- The Housing Authority's total net position increased by \$127,266, a 15% increase from the prior fiscal year 2017.
- The increase in net position of these funds was accompanied by a decrease in cash and cash equivalents of \$87,873.
- The Authority Spent \$214,050 on capital asset additions.
- These changes led to an increase in total assets by \$101,960 and a decrease in total liabilities by \$25,306. As related measure of financial health, there are still over \$14 of current assets covering each dollar of total current liabilities, which compares to \$7 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2018?" 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.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net position and changes in net position. One can think of the Housing Authority's net position – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

Public Housing Capital Fund Program	\$ 302,291
Low Rent Public Housing	<u>313,818</u>
Total funding received this current fiscal year	<u>\$ 616,109</u>

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. 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.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$956,689 as of September 30, 2018. Of this amount, \$648,456 was invested in capital assets and \$308,233 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position.

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
As of September 30, 2018**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets	\$ 349,983	\$ 360,826
Capital assets, net of depreciation	<u>648,456</u>	<u>535,653</u>
Total assets	<u>998,439</u>	<u>896,479</u>
LIABILITIES		
Current liabilities	25,063	51,210
Non-current liabilities	<u>16,687</u>	<u>15,846</u>
Total liabilities	<u>41,750</u>	<u>67,056</u>
NET POSITION		
Invested in capital assets, net of depreciation	648,456	535,653
Unrestricted net position	<u>308,233</u>	<u>293,770</u>
Total net position	<u>\$ 956,689</u>	<u>\$ 829,423</u>

The net position of these funds decreased by \$86,784, or by 10%, from those of fiscal year 2017, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

CONDENSED FINANCIAL STATEMENTS (Continued)**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
Fiscal Year Ended September 30, 2018**

	2018	2017
OPERATING REVENUES		
Tenant Revenue	\$ 205,740	\$ 183,012
HUD grants for operations	402,059	356,929
Other non-tenant revenue	29,150	23,530
Total Operating Revenues	<u>636,949</u>	<u>563,471</u>
OPERATING EXPENSES		
General	93,983	84,115
Ordinary maintenance & operations	255,568	134,301
Administrative expenses and management fees	252,005	254,259
Utilities	19,970	17,314
Tenant services	960	350
Depreciation	101,247	112,005
Total Operating Expenses	<u>723,733</u>	<u>602,344</u>
Income (Loss) from Operations	<u>(86,784)</u>	<u>(38,873)</u>
Income (Loss) before contribution	(86,784)	(38,873)
Capital Contribution	214,050	55,933
Change in net position	127,266	17,060
Total net position - beginning	<u>829,423</u>	<u>812,363</u>
Total net position - ending	<u>\$ 956,689</u>	<u>\$ 829,423</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating revenue and capital contributions increased \$231,595 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$22,728 from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Included in this total is other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) which increased by \$176.
- Federal revenues from HUD for operations increased by \$45,130 from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant.
- Federal Capital Funds from HUD increased by \$158,117 from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2015 through 2017, and submitted a new grant during fiscal year 2018.
- Total other operating revenue increased by \$5,620 from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses increased \$123,389, or by 21%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense decreased by \$10,758 from that of the prior fiscal year.
- Maintenance and repairs increased by \$121,267 from that of the prior fiscal year due to changes in the following: Repair staff wages increased by \$5,183 and related employee benefit contributions increased by \$932. Materials used decreased by \$2,423 and contract labor costs increased by \$115,965.
- General Expenses increased by \$9,868 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$2,006. PILOT is calculated as a percentage of rent minus utilities and therefore changed proportionately to the changes in each of these. Insurance premiums decreased by \$1,088, other general expenses increased by \$159 and bad debts increased by \$4,50. Lastly, compensated absences increased by \$4,285.
- Administrative Expenses decreased by \$2,254 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries decreased by \$1,949 and related employee benefit contributions increased by \$3,837; therefore, total staff salaries and benefit costs increased. Outside professional fees changed as follows: audit fees increased by \$2,850. In addition, staff travel reimbursements increased by \$3,227, office expenses decreased by \$3,894 and sundry expenses decreased by \$6,940.
- Utilities Expense increased by \$2,656 from that of the prior fiscal year because water cost increased by \$162, electricity cost increased by \$1,651, gas cost increased by \$594, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$79.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2018, the Housing Authority had a total cost of \$6,539,429 invested in a broad range of assets and construction in progress from projects funded in 2013 through 2017, listed below. This amount, not including depreciation, represents increases of \$214,050 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

As of the end of the 2018 fiscal year, the Authority is still in the process of completing HUD grants of \$401,302 obtained during the 2015 through 2017 fiscal years. A total remainder of \$112,504 will be received and \$20,215 spent for completing these projects during fiscal year 2019.

Debt

Non-current liabilities also include accrued annual leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2019 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact A D Williams, at Housing Authority of Haynesville, LA; PO Box 751, Haynesville, LA 71038.

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
STATEMENT OF NET POSITION

SEPTEMBER 30, 2018

ASSETS

Current assets

Cash and cash equivalents	\$	186,729
Accounts receivable net		131,740
Prepaid items and other assets		21,942
Inventory		592
Restricted assets - cash and cash equivalents		8,980

Total Current Assets		349,983
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Capital Assets, net

Land and other non-depreciated assets		1,534
Other capital assets - net of depreciation		646,922

Total Capital Assets, net		648,456
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Total Assets	\$	998,439
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LIABILITIES

Current Liabilities

Accounts payable	\$	10,015
Compensated absences payable		6,068
Deposits due others		8,980

Total Current Liabilities		25,063
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Noncurrent Liabilities

Compensated absences payable		16,687
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Total Liabilities		41,750
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NET POSITION

Net investment in capital assets		648,456
Unrestricted		308,233

Net Position	\$	956,689
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The Notes to the Financial Statements are an integral part of these statements.

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

FOR THE YEAR ENDED SEPTEMBER 30, 2018

OPERATING REVENUES	
Dwelling rental	\$ 195,873
Governmental operating grants	402,059
Other Dwelling	9,867
Other	29,150
Total Operating Revenues	636,949
OPERATING EXPENSES	
Administration	252,005
Tenant services	960
Utilities	19,970
Ordinary maintenance & operations	255,568
General expenses	93,983
Depreciation	101,247
Total Operating Expenses	723,733
Income (Loss) from Operations	(86,784)
Non Operating Revenues (Expenses)	0
Total Non-Operating Revenues (Expenses)	0
Income (Loss) before contribution	(86,784)
Capital Contribution	214,050
Change in net position	127,266
Total net position - beginning	829,423
Total net position - ending	\$ 956,689

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

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

CASH FLOWS FROM	
OPERATING ACTIVITIES	
Rental receipts	\$ 161,949
Other receipts	38,866
Federal grants	326,920
Payments to vendors	(368,491)
Payments to employees – net	(247,117)
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Net cash provided (used) by operating activities	(87,873)
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(214,050)
Federal Capital Grants	214,050
	<hr/>
Net cash provided (used) by capital and related financing activities	0
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(87,873)
 CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	283,582
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CASH AND CASH EQUIVALENTS	
End of Fiscal Year	\$ 195,709
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Continued

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

Operating income (loss)	\$	(86,784)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense		101,247
Provision of uncollectible accounts		822
Change in assets and liabilities:		
Receivables		(80,357)
Prepaid items		2,505
Account payables		(3,454)
Unearned income		(18,372)
Deposits due others		(151)
Accrued compensated absences		(3,329)
		<hr/>
Net cash provided (used) by operations	\$	<u>(87,873)</u>

Concluded

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

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

SEPTEMBER 30, 2018

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

SEPTEMBER 30, 2018

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

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

The Housing Authority has the following units:

PHA Owned Housing	FW 1421	120 units
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

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

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

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

SEPTEMBER 30, 2018

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

SEPTEMBER 30, 2018

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

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$195,709. This is comprised of cash and cash equivalents of \$186,729 and restricted assets – cash of \$8,980, on the statement of net position.

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

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

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

Definitions:

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

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

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

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

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

SEPTEMBER 30, 2018

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

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

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

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

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

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

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

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

SEPTEMBER 30, 2018

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

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2018. Deposits are stated at cost, which approximates fair value.

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

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

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

Restricted Cash: \$8,980 is restricted in the General Fund for security deposits.

At September 30, 2018, the Housing Authority's carrying amount of deposits was \$195,709 and the bank balance was \$208,258. The entire bank balance was covered by FDIC Insurance.

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

SEPTEMBER 30, 2018

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2018, are as follows:

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 7,398
Federal sources:	
Internal Revenue Service	6,104
Grants	118,238
Total	\$ 131,740

The tenants account receivables is net of an allowance for doubtful accounts of \$822.

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

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 1,534	\$ 0	\$ 0	\$ 1,534
Depreciable assets:				
Buildings	6,057,871	214,050	0	6,271,921
Furniture and equipment	265,974	0	0	265,974
Total capital assets	6,325,379	214,050	0	6,539,429
Less: accumulated depreciation				
Buildings	5,553,492	90,436	0	5,643,928
Furniture and equipment	236,234	10,811	0	247,045
Total accumulated depreciation	5,789,726	101,247	0	5,890,973
Total capital assets, net	\$ 535,653	\$ 112,803	\$ 0	\$ 648,456

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

SEPTEMBER 30, 2018

NOTE 5 – ACCOUNTS PAYABLE The payables at September 30, 2018 are as follows:

Vendors	\$	4,959
Payroll taxes & Retirement withheld		3,783
Utilities		1,273
		10,015
Total	\$	10,015

NOTE 6 – COMPENSATED ABSENCES At September 30, 2018, employees of the Housing Authority have accumulated and vested \$22,755 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 7 – LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended September 30, 2018.

		Compensated Absences
Balance, beginning	\$	21,608
Additions		12,265
Deletions		11,118
		22,755
Amounts due in one year	\$	6,068

NOTE 8 – RETIREMENT SYSTEM The Housing Authority does not participate in a retirement plan.

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

SEPTEMBER 30, 2018

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

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

Construction Projects There are certain renovation or construction projects in progress at September 30, 2018. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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

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

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

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council, Inc. Group Self Insurance Risk Management Agency risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

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

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$616,109 to the Housing Authority, which represents approximately 72% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 11 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, June 26, 2019, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.



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and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

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

Independent Auditor's Report

Housing Authority of Haynesville
Haynesville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of Haynesville, Louisiana, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority of Haynesville, Louisiana's basic financial statements, and have issued our report thereon dated June 26, 2019.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as audit findings 2018 – 001 and 2018 – 002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We do consider the deficiency described in the accompanying schedule of findings and questioned costs as audit finding 2018-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Haynesville, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Audit Findings 2018-001 and 2018 – 002.

Response to Finding

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

Purpose of this Report

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

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
June 26, 2019

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

YEAR ENDED YEAR ENDED SEPTEMBER 30, 2018

Section I – Summary of the Auditor’s Results

Financial Statement Audit

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

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

YEAR ENDED SEPTEMBER 30, 2018

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

Finding 2018-001-Improper Accounting for Capital Fund

Criteria and Condition

Expenditures charged to an individual Capital Funding program (CFP) should be determined at the original time of charge. Expenditures should not be made if it cannot be determined at the time of expenditure which individual CFP program the charge relates to, or instead whether it should be made to the Low Rent program.

Numerous re-classifications were made by the Authority, between individual CFP programs, and the general ledger. It is reasonable and normal for some re-classifications to be made during the fiscal year. But in this year's audit, the re-classifications needed far exceeded what normal is.

Context

There were too many instances noted to cite them all. One example is that funds were drawn from CFP to cover a disbursement. Consequently, another CFP was charged.

Cause

It appears that the person who is in charge of drawing down the CFP funds at the Authority and classifying the expenses is not taking sufficient time to do this task. It appears that the coding is done originally at the Authority. If the coding is changed by the fee accountant [we are not sure in this instance if it is], the communication between the Authority personnel and the fee accountant needs improvement. Also, it appears that Authority personnel are not doing a thorough review of classification of expenditures until the end of the fiscal year, instead of doing them monthly.

Effect

It is very time consuming for a third party, such as an auditor, to trace and review all of the re-classifications. In addition, to a third party that does not have the time or capability to review all of the re-classifications, such as an auditor, the reliability of the final classifications can be doubted.

Recommendation

Management should if at all possible utilize one CFP program at a time, and revise the budget if necessary, instead of splitting small expense amounts over several open CFP programs. In addition, expenditures should be carefully considered before charged, and the general ledger reviewed on a monthly basis instead of close to year-end. Management might also visit with other PHAs in similar circumstances, to see how they avoid multiple re-classifications.

Views of Responsible Officials and Planned Corrective Action

I am Yolanda Coleman, Assistant Director and Designated Person to answer this. We will do as the auditor suggests. We will meet with our fee accountant and possibly other consultants before July 15, 2019. We will re-categorize CFP advances and expenditures from October 1, 2018 to the current time.

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

YEAR ENDED SEPTEMBER 30, 2018

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

Finding 2018-002-Record Keeping for Disbursements Needs Improvement

Criteria and Condition

Our initial tests of disbursements generated several that lacked sufficient attached detail. Generally accepted accounting principles, as well as federal regulations, dictate that all check vouchers include sufficient support at the outset.

Context

Management was able to eventually provide support for most of the items that were initially not adequately supported. At the end of our tests, we only needed support for three immaterial items.

Cause

We do not know the cause.

Effect

The record keeping was not as detailed and accurate as it should have been.

Recommendation

Management should do whatever it takes to correct the shortcomings noted above. We note that the Authority has an additional office assistant. Management should consider the tracking of accounting detail for the check vouchers and the time sheets part of this new assistant's responsibilities.

Views of Responsible Officials

We will do as the auditor suggests. Before the end of July 2019 we will review the detail for all disbursements for October 1, 2018 to year-to-date.

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

YEAR ENDED SEPTEMBER 30, 2017

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

Finding 2018-003-Late Filing With the Louisiana Legislative Auditor

Criteria and Condition

State law requires that the annual audit report be filed no later than six months after fiscal year end with the Louisiana Legislative Auditor.

Context

The audit report was not filed by the due date.

Cause

The records were not received from the fee accountant until after the March 2019 deadline. Information needed directly from Management was not received until after that.

Effect

State law was not complied with. In addition, any recommendations in this audit could not be made on a timely basis.

Questioned Costs

None.

Recommendation

The audit process should be timely started and finished.

Views of Responsible Officials and Planned Corrective Action

We will timely submit the audit report in the future.



Haynesville Housing Authority
P.O. Box 751



Haynesville, LA 71038
Phone: (318)624-1272 (318)-624-2934
Fax: (318)624-2799

Corrective Action Plan Finding- 2018-001-Improper Accounting for Capital Fund

Contact Person- Yolanda Coleman, Assistant Executive Director

Corrective Action Planned

I am Yolanda Coleman, Assistant Executive Director and Designated Person to answer this. We will do as the auditor suggests. We will meet with our fee accountant and possibly other consultants before July 15, 2019. We will re-categorize CFP advances and expenditures from October 1, 2018 to the current time.

Anticipated Completion Date

The anticipated completion date is by July 15, 2019.

Corrective Action Plan Finding 2018-002-Record Keeping for Disbursements Needs Improvement

Contact Person- Yolanda Coleman, Assistant Executive Director

Corrective Action Planned

I am Yolanda Coleman, Assistant Executive Director and Designated Person to answer these audit findings. We will do as the auditor suggests. Before the end of July 2019 we will review the detail for all disbursements for October 1, 2018 to year-to-date.

Anticipated Completion Date

The anticipated completion date is before the end of July 2019.

Corrective Action Plan Finding 2018-003 _-Late Filing With the Louisiana Legislative Auditor

Contact Person- Yolanda Coleman, Assistant Executive Director

Corrective Action Planned

I am Yolanda Coleman, Assistant Executive Director and Designated Person to answer these audit findings. We will timely submit the audit report in the future.

Anticipated Completion Date

We will submit the audit report by March 31, 2020.

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

YEAR ENDED SEPTEMBER 30, 2018

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

Finding 2017-001-Improper Accounting for Capital Fund

Condition

Numerous reclassifications were necessary between expenditure accounts and the individual CFP program.

Recommendation

Management should if at all possible utilize one CFP program at a time, and revise the budget if necessary, instead of splitting small expense amounts over several open CFP programs. In addition, expenditures should be carefully considered before charged, and the general ledger reviewed on a monthly basis instead of close to year-end. Management might also visit with other PHAs in similar circumstances, to see how they avoid multiple re-classifications.

Current Status

The finding is repeated.

Finding 2018-002-Record Keeping for Disbursements Needs Improvement

Condition

Several tested disbursements did not originally have the supporting detail attached.

Recommendation

Management should do whatever it takes to correct the shortcomings noted above. We note that the Authority has an additional office assistant. Management should consider the tracking of accounting detail for the check vouchers and the time sheets part of this new assistant's responsibilities.

Current Status

The finding is repeated.

.HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2018

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

Finding 2017-003 -Late Filing With the Louisiana Legislative Auditor

Condition

The audit report was not filed by the March 31, 2019 state deadline.

Recommendation

The audit report should be timey filed.

Current Status

The finding is repeated.

SUPPLEMENTARY INFORMATION

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

YEAR ENDED SEPTEMBER 30, 2018

CASH BASIS

	2013 Capital Fund	2014 Capital Fund	2015 Capital Fund	2016 Capital Fund	2017 Capital Fund
Funds approved	\$ 132,003	\$ 76,588	\$ 134,606	\$ 128,600	\$ 138,096
Funds expended	132,003	76,588	134,606	112,577	133,906
Excess of funds approved	\$ 0	\$ 0	\$ 0	\$ 16,023	\$ 4,190
Funds advanced	\$ 132,003	\$ 76,588	\$ 111,162	\$ 94,939	\$ 82,697
Funds expended	132,003	76,588	134,606	112,577	133,906
Excess (Deficiency) of funds advanced	\$ 0	\$ 0	\$ (23,444)	\$ (17,638)	\$ (51,209)

See accountants' report

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

YEAR ENDED SEPTEMBER 30, 2018

Agency Head Name: A.D. Williams, Executive Director

Purpose	Amount
Salary	\$ 48,360
Benefits-insurance	
Benefits-retirement	
Benefits	
Car allowance	
Vehicle provided by government	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	\$ 48,360

See accountants' report

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

YEAR ENDED SEPTEMBER 30, 2018

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 313,818
Capital Fund Program	14.872	302,291
		<hr/>
Total United States Department of Housing and Urban Development		\$ 616,109
		<hr/> <hr/>
Total Expenditures of Federal Awards		\$ 616,109
		<hr/> <hr/>

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED SEPTEMBER 30, 2018

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the Town of Haynesville, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended September 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

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

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

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 402,059
Capital contributions	214,050
	616,109
Total	\$ 616,109

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



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AGREED UPON PROCEDURES REPORT

Independent Accountant's Report
On Applying Agreed-Upon Procedures

AGREED UPON PROCEDURES REPORT

Independent Accountant's Report
On Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Haynesville Housing Authority and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2017 through September 30, 2018. The Haynesville Housing Authority's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results of Testing:

We noted in the prior year that the Authority has all of the above policies, except Disbursement, Purchasing, and Contracting and Debt Service. The latter is not applicable, since the Authority has no secured debt. Last year we directed Management to the policies listed under the Best Practices on the LLA's website. We also provided examples of all the policies listed above. The policies must be drafted to the Authority's particular situation.

The Authority still needs to adopt the Disbursement, Purchasing, and Contracting Policy. We have given Management a combined policy to consider adopting.

In addition, we noted last year that to comply with state law, the Authority must both post and publish a notice at least ten days in advance of a public hearing to adopt the annual operating budget. The Authority posted, but did not timely publish a notice.

Management should both timely publish and post the notice in the future.

Corrective Action Response:

I am Yolanda Coleman, Assistant Executive Director and Designated Person to respond to these suggestions. We will do as the auditor recommends in the future.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results of Testing:

- a) The board met with a quorum on a frequency with the bylaws.
- b) The minutes did not reflect that the board reviewed the year-to-date budgeted to actual income and expenses. This should be done.
- c) The unrestricted fund balance of the general fund had a positive balance at the end of the prior year.

Corrective Action Response:

We will comply with (b) above in the future.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results of Testing:

As noted in the Year 2 instructions, if this category had no exceptions in Year 1, Year 2 tests may be omitted. Since there were no Year 1 exceptions, these tests are omitted.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

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

Results of Testing:

All employees who have access to cash are covered by a bond for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results of Testing:

- a) It appears that two employees are involved in initiating a purchase request, approving a purchase, and making the purchase. However, we noted last year that the documentation be improved. Management did not follow our recommendation. Last year, we stated that one way improvement could be made is that the person who initiates the order and the person that approves the order should both initial the invoice, once all items ordered on the invoice [which may be several] are checked as being properly ordered. The initials should be *circled*.
- b) It appears that at least two employees are involved in processing and approving payments to vendors. However, we noted last year that documentation be improved. Management did not follow our recommendation. Last year, we stated that one way improvement could be made is that the person who makes sure that the correct specs and quantity of the goods ordered were actually received should initial the invoice, once all the items listed [which may be several] are verified as being actually received, with the proper quantity and specs. A *box* should be drawn around the initials [to differentiate from the purchase order function, as noted in the above paragraph].

Management should either use the methods described above or use another method in the future, to better document the ordering and receiving functions.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files.
- d) The employee responsible for signing checks gives the signed checks to an employee to mail who is not responsible for processing payments.

Corrective Action Response:

We will review our alternatives, and either choose one of the options noted in [a] and [b] above, or another related method to improve documentation.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results of Testing:

- a) The tested disbursements matched the related original invoice/billing statement.
- b) The disbursement documentation included evidence of segregation of duties. However, improvements should be made, as noted in 9 (a) and (b).

Corrective Action Response:

As noted in 9 above, we will make changes.

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

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

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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) Observe that finance charges and late fees were not assessed on the selected statements.

Results of Testing:

Since there were no Year 1 exceptions in this area, these tests are omitted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results of Testing:

Since there were no Year 1 exceptions in this area, these tests are omitted.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Testing:

The only exception noted in the above tests is that the Authority should revise the per diem to that listed at www.gsa.gov. The mileage per diem should preferably be the IRS allowable for a particular year. The rate for 2019 is 58 cents per mile.

Corrective Action Response:

We will comply with the above as the auditor suggests.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results of Testing:

- a) Of the eight procurement items we reviewed, in three instances, three quotes were documented. In four instances, two quotes were documented.
- b) Contracts were reviewed and approved by the board when required.
- c) No amendments were noted.
- d) Payments were tested at random for this AUP as well as the regular audit. All were properly supported.

We recommend that Management make efforts to obtain at least three quotes.

Corrective Action Response:

We will comply with the auditor's recommendation.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that 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) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results of Testing:

No termination payments were made in the audit, fiscal year.

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

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results of Testing:

- a) Four employees/officials obtained the required ethics training during the year. Since October 1, 2018 through the date of the auditor's report, a minimum of eight employees/officials obtained the required ethics training during the year.
- b) It appears that the Authority did not obtain signature verification from each employee/official that he or she read the ethics policy during the fiscal period.

Both (a) and (b) should be done and documented annually.

Corrective Action Response:

We will comply with the above suggestion.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results of Testing:

Not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Results of Testing:

Not applicable.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results of Testing:

Management asserts that they are not aware of misappropriations of public funds or assets during the fiscal period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Testing:

The sign is properly posted

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
June 26, 2019

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Balance Sheet Summary				
	Project Total	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$186,729	\$186,729		\$186,729
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$8,980	\$8,980		\$8,980
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$195,709	\$195,709		\$195,709
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$118,238	\$118,238		\$118,238
124 Accounts Receivable - Other Government	\$6,104	\$6,104		\$6,104
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$8,220	\$8,220		\$8,220
126.1 Allowance for Doubtful Accounts - Tenants	-\$822	-\$822		-\$822
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$131,740	\$131,740		\$131,740
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$21,942	\$21,942		\$21,942
143 Inventories	\$623	\$623		\$623
143.1 Allowance for Obsolete Inventories	-\$31	-\$31		-\$31
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$349,983	\$349,983		\$349,983
161 Land	\$1,534	\$1,534		\$1,534
162 Buildings	\$5,651,528	\$5,651,528		\$5,651,528
163 Furniture, Equipment & Machinery - Dwellings	\$96,033	\$96,033		\$96,033
164 Furniture, Equipment & Machinery - Administration	\$169,941	\$169,941		\$169,941
165 Leasehold Improvements	\$620,393	\$620,393		\$620,393
166 Accumulated Depreciation	-\$5,890,973	-\$5,890,973		-\$5,890,973
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$648,456	\$648,456		\$648,456
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$648,456	\$648,456		\$648,456
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$998,439	\$998,439		\$998,439

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Balance Sheet Summary				
	Project Total	Subtotal	ELIM	Total
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$4,959	\$4,959		\$4,959
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$3,783	\$3,783		\$3,783
322 Accrued Compensated Absences - Current Portion	\$6,068	\$6,068		\$6,068
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits	\$8,980	\$8,980		\$8,980
342 Unearned Revenue	\$0	\$0		\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other	\$1,273	\$1,273		\$1,273
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$25,063	\$25,063		\$25,063
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current	\$16,687	\$16,687		\$16,687
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$16,687	\$16,687		\$16,687
300 Total Liabilities	\$41,750	\$41,750		\$41,750
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$648,456	\$648,456		\$648,456
511.4 Restricted Net Position	\$0	\$0		\$0
512.4 Unrestricted Net Position	\$308,233	\$308,233		\$308,233
513 Total Equity - Net Assets / Position	\$956,689	\$956,689		\$956,689
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$998,439	\$998,439		\$998,439

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2018

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$195,873		\$195,873
70400 Tenant Revenue - Other	\$9,867		\$9,867
70500 Total Tenant Revenue	\$205,740	\$0	\$205,740
70600 HUD PHA Operating Grants	\$313,818	\$88,241	\$402,059
70610 Capital Grants		\$214,050	\$214,050
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted			
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	\$29,150		\$29,150
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$548,708	\$302,291	\$850,999
91100 Administrative Salaries	\$147,998	\$0	\$147,998
91200 Auditing Fees	\$13,955		\$13,955
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$8		\$8
91500 Employee Benefit contributions - Administrative	\$40,723		\$40,723
91600 Office Expenses	\$30,403		\$30,403
91700 Legal Expense			
91800 Travel	\$7,861		\$7,861
91810 Allocated Overhead			
91900 Other	\$11,057		\$11,057
91000 Total Operating - Administrative	\$252,005	\$0	\$252,005
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$960		\$960
92500 Total Tenant Services	\$960	\$0	\$960
93100 Water	\$1,456		\$1,456
93200 Electricity	\$14,813		\$14,813
93300 Gas	\$3,245		\$3,245
93400 Fuel			
93500 Labor			
93600 Sewer	\$456		\$456

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2018

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$19,970	\$0	\$19,970
94100 Ordinary Maintenance and Operations - Labor	\$39,796		\$39,796
94200 Ordinary Maintenance and Operations - Materials and Other	\$33,657		\$33,657
94300 Ordinary Maintenance and Operations Contracts	\$179,303		\$179,303
94500 Employee Benefit Contributions - Ordinary Maintenance	\$2,812		\$2,812
94000 Total Maintenance	\$255,568	\$0	\$255,568
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	\$25,586		\$25,586
96120 Liability Insurance	\$8,287		\$8,287
96130 Workmen's Compensation	\$9,104		\$9,104
96140 All Other Insurance	\$9,625		\$9,625
96100 Total insurance Premiums	\$52,602	\$0	\$52,602
96200 Other General Expenses	\$159		\$159
96210 Compensated Absences	\$12,459		\$12,459
96300 Payments in Lieu of Taxes	\$17,607		\$17,607
96400 Bad debt - Tenant Rents	\$11,156		\$11,156
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$41,381	\$0	\$41,381
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	\$622,486	\$0	\$622,486
97000 Excess of Operating Revenue over Operating Expenses	-\$73,778	\$302,291	\$228,513
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$101,247		\$101,247
97500 Fraud Losses	\$0		\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$723,733	\$0	\$723,733

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2018

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$88,241	\$13,381	\$101,622
10020 Operating transfer Out	-\$13,381	-\$88,241	-\$101,622
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$74,860	-\$74,860	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$100,165	\$227,431	\$127,266
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$829,423	\$0	\$829,423
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$83,881	\$83,881	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1435		1435
11210 Number of Unit Months Leased	1362		1362
11270 Excess Cash	\$250,513		\$250,513
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$135,141	\$135,141
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Revenue and Expense Summary				
	Project Total	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$195,873	\$195,873		\$195,873
70400 Tenant Revenue - Other	\$9,867	\$9,867		\$9,867
70500 Total Tenant Revenue	\$205,740	\$205,740	\$0	\$205,740
70600 HUD PHA Operating Grants	\$402,059	\$402,059		\$402,059
70610 Capital Grants	\$214,050	\$214,050		\$214,050
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue		\$0	\$0	\$0
70800 Other Government Grants				
71100 Investment Income - Unrestricted				
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$29,150	\$29,150		\$29,150
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$850,999	\$850,999	\$0	\$850,999
91100 Administrative Salaries	\$147,998	\$147,998		\$147,998
91200 Auditing Fees	\$13,955	\$13,955		\$13,955
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing	\$8	\$8		\$8
91500 Employee Benefit contributions - Administrative	\$40,723	\$40,723		\$40,723
91600 Office Expenses	\$30,403	\$30,403		\$30,403
91700 Legal Expense				
91800 Travel	\$7,861	\$7,861		\$7,861
91810 Allocated Overhead				
91900 Other	\$11,057	\$11,057		\$11,057
91000 Total Operating - Administrative	\$252,005	\$252,005	\$0	\$252,005
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$960	\$960		\$960
92500 Total Tenant Services	\$960	\$960	\$0	\$960
93100 Water	\$1,456	\$1,456		\$1,456
93200 Electricity	\$14,813	\$14,813		\$14,813
93300 Gas	\$3,245	\$3,245		\$3,245
93400 Fuel				
93500 Labor				
93600 Sewer	\$456	\$456		\$456

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Revenue and Expense Summary				
	Project Total	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$19,970	\$19,970	\$0	\$19,970
94100 Ordinary Maintenance and Operations - Labor	\$39,796	\$39,796		\$39,796
94200 Ordinary Maintenance and Operations - Materials and Other	\$33,657	\$33,657		\$33,657
94300 Ordinary Maintenance and Operations Contracts	\$179,303	\$179,303		\$179,303
94500 Employee Benefit Contributions - Ordinary Maintenance	\$2,812	\$2,812		\$2,812
94000 Total Maintenance	\$255,568	\$255,568	\$0	\$255,568
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	\$0
96110 Property Insurance	\$25,586	\$25,586		\$25,586
96120 Liability Insurance	\$8,287	\$8,287		\$8,287
96130 Workmen's Compensation	\$9,104	\$9,104		\$9,104
96140 All Other Insurance	\$9,625	\$9,625		\$9,625
96100 Total insurance Premiums	\$52,602	\$52,602	\$0	\$52,602
96200 Other General Expenses	\$159	\$159		\$159
96210 Compensated Absences	\$12,459	\$12,459		\$12,459
96300 Payments in Lieu of Taxes	\$17,607	\$17,607		\$17,607
96400 Bad debt - Tenant Rents	\$11,156	\$11,156		\$11,156
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$41,381	\$41,381	\$0	\$41,381
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	\$0
96900 Total Operating Expenses	\$622,486	\$622,486	\$0	\$622,486
97000 Excess of Operating Revenue over Operating Expenses	\$228,513	\$228,513	\$0	\$228,513
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$101,247	\$101,247		\$101,247
97500 Fraud Losses	\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$723,733	\$723,733	\$0	\$723,733

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Revenue and Expense Summary				
	Project Total	Subtotal	ELIM	Total
10010 Operating Transfer In	\$101,622	\$101,622	-\$64,627	\$36,995
10020 Operating transfer Out	-\$101,622	-\$101,622	\$64,627	-\$36,995
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$127,266	\$127,266	\$0	\$127,266
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	\$829,423	\$829,423		\$829,423
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$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 Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	1435	1435		1435
11210 Number of Unit Months Leased	1362	1362		1362
11270 Excess Cash	\$250,513	\$250,513		\$250,513
11610 Land Purchases	\$0	\$0		\$0
11620 Building Purchases	\$135,141	\$135,141		\$135,141
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