

**HOUSING AUTHORITY OF PINEVILLE, LOUISIANA**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL DATA**

**TWELVE MONTHS ENDED DECEMBER 31, 2017**

**Mike Estes, P.C.**  
A Professional Accounting Corporation

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Independent Auditor's Report

Board of Commissioners  
Housing Authority of Pineville  
Pineville, Louisiana

***Report on the Financial Statements***

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Pineville, Louisiana as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of Pineville, Louisiana 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.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of the City of Pineville, Louisiana, as of December 31, 2017, 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 9 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 City of Pineville, Louisiana's basic financial statements. The statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, 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 19, 2018 on our consideration of the Housing Authority of the City of Pineville, 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 City of Pineville, Louisiana's internal control over financial reporting and compliance.

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
June 19, 2018

**HOUSING AUTHORITY OF PINEVILLE, LOUISIANA**

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
December 31, 2017**

**The management of Public Housing Authority of Pineville, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending December 31, 2017. 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 \$1,492,812 at the close of the fiscal year ended 2017.
  - ✓ Of this amount \$982,314 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
  - ✓ Also of this amount, \$5,121 of net position is restricted for the Housing Choice Voucher program.
  - ✓ The remainder of \$505,377 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 33% of the total operating expenses of \$1,539,179 for the fiscal year 2017, which means the Authority might be able to operate about 4 months using the unrestricted assets alone, compared to 3 months in the prior fiscal year.
- The Housing Authority's total net position decreased by \$10,410, a 1% decrease from the prior fiscal year 2016. This decrease is mostly attributable to decreases in tenant rental revenues despite increases in Federal funding.
- The decrease in net position of these funds was accompanied by an increase in cash and cash equivalents of \$109,736 from fiscal year 2016.
- The Authority Spent \$50,546 on capital asset additions.
- These changes led to a decrease in total assets by \$72,778 and a decrease in total liabilities and deferred inflows of \$62,368.
- 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 2017?" The Statement of net position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

## 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	\$ 127,633
Low Rent Public Housing	272,518
Housing Choice Vouchers	770,371
Total funding received this current fiscal year	<u>\$ 1,170,522</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 \$1,492,812 as of December 31, 2017. Of this amount, \$982,314 was invested in capital assets and \$505,377 was unrestricted. There were \$5,121 in specific assets restricted for the Housing Choice Voucher (HCV) program.

**CONDENSED FINANCIAL STATEMENTS**

**Condensed Statement of Net Position  
 As of December 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets	\$ 570,306	\$ 513,367
Assets restricted for Housing Choice Voucher (HCV) program	5,121	56,964
Capital assets, net of depreciation	982,316	1,060,190
Total assets	1,557,743	1,630,521
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred payments to government assistance programs	-	-
<b>LIABILITIES</b>		
Current liabilities	50,293	55,576
Non-current liabilities	14,638	15,174
Total liabilities	64,931	70,750
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenues from government assistance programs	-	56,549
<b>NET POSITION</b>		
Invested in capital assets, net of depreciation	982,314	1,060,190
Net position restricted for the Housing Choice Voucher program	5,121	415
Unrestricted net position	505,377	442,617
Total net position	\$ 1,492,812	\$ 1,503,222

**CONDENSED FINANCIAL STATEMENTS (Continued)**

The net position of these funds decreased by \$10,410, or by 1%, from those of fiscal year 2016, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

	2017	2016
<b>OPERATING REVENUES</b>		
Dwelling rental	\$ 331,857	\$ 313,037
Governmental operating grants	1,119,975	1,103,521
Tenant revenue - other	4,023	3,979
Other	20,578	13,475
	1,476,433	1,434,012
<b>OPERATING EXPENSES</b>		
General	101,942	95,103
Ordinary maintenance & repairs	248,127	219,441
Administrative expenses	302,908	296,855
Utilities	72,490	63,483
(HAP)	682,999	650,829
Protective services	0	9,634
Depreciation	128,423	125,186
Tenant service	2,290	2,167
	1,539,179	1,462,698
Income (Loss) from Operations	(62,746)	(28,686)
Non Operating Revenues (Expenses)		
Interest earnings	1,789	669
(Expenses)	1,789	669
Income (Loss) before contribution	(60,957)	(28,017)
Capital Contribution	50,547	25,853
Change in net position	(10,410)	(2,164)
Total net position - beginning	1,503,222	1,505,386
Total net position - ending	\$ 1,492,812	\$ 1,503,222

## EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating, non-operating revenues, and capital contribution increased \$68,235 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$18,820 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 \$44.
- Federal revenues from HUD for operations increased by \$16,454 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 \$24,694 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 2017.
- Total other non-operating revenue increased by \$7,103 and interest income increased by \$1,120 from the prior fiscal year.

Compared with the prior fiscal year, total operating and expenses increased \$76,481, or by 5%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$3,237 from that of the prior fiscal year.
- Maintenance and repairs increased by \$28,686 from that of the prior fiscal year due to changes in the following: Repair staff wages increased by \$15,326 and related employee benefit contributions increased by \$5,383. Materials used increased by \$3,077 and contract labor costs increased by \$4,900.
- General Expenses increased by \$6,839 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$982. PILOT is calculated as a percentage of rent minus utilities and therefore changed proportionately to the changes in each of these. Insurance premiums increased by \$32, bad debts decreased by \$248 and compensated absences increased by \$6,073.
- Administrative Expenses increased by \$6,053 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries increased by \$159 and related employee benefit contributions increased by \$5,123; therefore, total staff salaries and benefit costs increased. In addition, audit fees increased by \$500, staff travel reimbursements increased by \$1,123, office expenses decreased by \$2,762 and sundry expenses increased by \$1,910.
- Housing Assistance Payments to landlords increased by \$32,170 from that of the prior fiscal year partly because there was an increase in the number of tenants qualifying for subsidy during the year.
- Utilities Expense increased by \$9,007 from that of the prior fiscal year because water cost increased by \$3,999, electricity cost increased by \$462, gas cost increased by \$1,044, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$3,502.
- Total Tenant Services increased by \$123 from that of the prior fiscal year because other tenant services increased by \$123.
- Protective services decreased by \$9,634 from that of the prior fiscal year because contract labor decreased by \$9,634.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At December 31, 2017, the Housing Authority had a total cost of \$5,741,317 invested in a broad range of assets and construction in progress from projects funded in 2015 through 2017, listed below. This amount, not including depreciation, represents increases of \$50,546 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Statement of Capital Assets  
 As of December 31, 2017**

	<b>2017</b>	<b>2016</b>
Land	\$ 193,302	\$ 193,303
Buildings	4,974,936	4,924,389
Leasehold improvements	355,878	355,878
Furniture and equipment	217,201	217,201
Infrastructure	-	-
Accumulated Depreciation	(4,759,001)	(4,630,581)
Total	\$ 982,316	\$ 1,060,190

As of the end of the 2017 fiscal year, the Authority is still in the process of completing HUD grants of \$382,299 obtained during 2015 through 2017 fiscal years. A total remainder of \$135,064 will be received and spent for completing these projects during fiscal year 2018.

**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 2018 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 Michelle Newton, at Public Housing Authority of Pineville, Louisiana; P.O. Box 3190; Pineville, LA 71360.

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
STATEMENT OF NET POSITION

DECEMBER 31, 2017

	General	Housing Choice Voucher	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 369,054	\$ 2,749	\$ 371,803
Investments	169,121	0	169,121
Accounts receivable net	785	0	785
Interest receivable	184	0	184
Prepaid items and other assets	10,434	0	10,434
Inventory	5,139	0	5,139
Restricted assets - cash and cash equivalents	12,840	5,121	17,961
	<u>567,557</u>	<u>7,870</u>	<u>575,427</u>
Capital Assets, net			
Land and other non-depreciated assets	193,302	0	193,302
Other capital assets - net of depreciation	789,014	0	789,014
	<u>982,316</u>	<u>0</u>	<u>982,316</u>
Total Assets	<u>\$ 1,549,873</u>	<u>7,870</u>	<u>\$ 1,557,743</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 610	\$ 0	\$ 610
Unearned income	861	0	861
Compensated absences payable	9,187	858	10,045
Accrued PILOT	25,937	0	25,937
Deposits due others	12,840	0	12,840
	<u>49,435</u>	<u>858</u>	<u>50,293</u>
Noncurrent Liabilities			
Compensated absences payable	14,504	134	14,638
	<u>63,939</u>	<u>992</u>	<u>64,931</u>
<b>NET POSITION</b>			
Net investment in capital assets	982,314	0	982,314
Restricted for:			
HAP Equity	0	5,121	5,121
Unrestricted	503,620	1,757	505,377
	<u>1,485,934</u>	<u>6,878</u>	<u>1,492,812</u>

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

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

YEAR ENDED DECEMBER 31, 2017

	General	Housing Choice Voucher	Total
<b>OPERATING REVENUES</b>			
Dwelling rental	\$ 331,857	\$ 0	\$ 331,857
Governmental operating grants	349,604	770,371	1,119,975
Tenant revenue - other	4,023	0	4,023
Other	7,125	13,453	20,578
<b>Total Operating Revenues</b>	<b>692,609</b>	<b>783,824</b>	<b>1,476,433</b>
<b>OPERATING EXPENSES</b>			
Administration	211,864	91,044	302,908
Tenant services	2,290	0	2,290
Utilities	72,490	0	72,490
Ordinary maintenance & operations	248,127	0	248,127
General expenses	95,523	6,419	101,942
Depreciation	128,423	0	128,423
Port-In payments	0	10,763	10,763
Housing assistance payments	0	672,236	672,236
<b>Total Operating Expenses</b>	<b>758,717</b>	<b>780,462</b>	<b>1,539,179</b>
<b>Income (Loss) from Operations</b>	<b>(66,108)</b>	<b>3,362</b>	<b>(62,746)</b>
<b>Non Operating Revenues (Expenses)</b>			
Interest earnings	1,766	23	1,789
<b>Total Non-Operating Revenues (Expenses)</b>	<b>1,766</b>	<b>23</b>	<b>1,789</b>
<b>Income (Loss) before contribution</b>	<b>(64,342)</b>	<b>3,385</b>	<b>(60,957)</b>
<b>Capital Contribution</b>	<b>50,547</b>	<b>0</b>	<b>50,547</b>
<b>Change in net position</b>	<b>(13,795)</b>	<b>3,385</b>	<b>(10,410)</b>
<b>Total net position - beginning</b>	<b>1,499,729</b>	<b>3,493</b>	<b>1,503,222</b>
<b>Total net position - ending</b>	<b>\$ 1,485,934</b>	<b>\$ 6,878</b>	<b>\$ 1,492,812</b>

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

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017

	General	Housing Choice Voucher	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rental receipts	\$ 331,582	\$ 0	\$ 331,582
Other receipts	12,615	13,453	26,068
Federal grants	349,604	704,935	1,054,539
Payments to vendors	(253,557)	(20,162)	(273,719)
Payments to employees – net	(370,185)	(76,948)	(447,133)
Payments to private landlords	0	(682,999)	(682,999)
	<u>          </u>	<u>          </u>	<u>          </u>
Net cash provided (used) by operating activities	70,059	(61,721)	8,338
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(50,547)	0	(50,547)
Federal Capital Grants	50,547	0	50,547
	<u>          </u>	<u>          </u>	<u>          </u>
Net cash provided (used) by capital and related financing activities	0	0	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	1,764	23	1,787
Proceeds from maturities of investments	99,611	0	99,611
	<u>          </u>	<u>          </u>	<u>          </u>
Net cash provided (used) by investing activities	101,375	23	101,398
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	171,434	(61,698)	109,736
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of Fiscal Year	210,460	69,568	280,028
	<u>          </u>	<u>          </u>	<u>          </u>
<b>CASH AND CASH EQUIVALENTS</b>			
End of Fiscal Year	\$ 381,894	\$ 7,870	\$ 389,764
	<u>          </u>	<u>          </u>	<u>          </u>

Continued

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017

	General	Housing Choice Voucher	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (66,108)	\$ 3,362	\$ (62,746)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	128,423	0	128,423
Provision of uncollectible accounts	(18)	0	(18)
Change in assets and liabilities:			
Accounts receivable	(275)	0	(275)
Inventories	365	0	365
Prepaid items	4,647	317	4,964
Account payables	1,558	36	1,594
Unearned income	0	(8,887)	(8,887)
Deposits due others	485	0	485
Accrued PILOT	982	0	982
Deferred inflows	0	(56,549)	(56,549)
Net cash provided (used) by operations	<u>\$ 70,059</u>	<u>\$ (61,721)</u>	<u>\$ 8,338</u>

Concluded

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

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

DECEMBER 31, 2017

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

DECEMBER 31, 2017

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Housing Authority of the City of Pineville 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 city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Pineville, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 1309	121
Section 8		
Housing Choice Vouchers	LA-057VO	165

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 City of Pineville since the City of Pineville appoints a voting majority of the Housing Authority’s governing board. The City of Pineville 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 City of Pineville. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Pineville.

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 PINEVILLE, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

- 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. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher 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.

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 and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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**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 \$389,764. This is comprised of cash and cash equivalents of \$371,803 and restricted assets – cash of \$17,961, 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 PINEVILLE, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$2,000. 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	15-40 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 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.

Sometime the Authority may fund outlays from both restricted and unrestricted resources. In the event that should occur, the Authority must make a flow assumption about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

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

DECEMBER 31, 2017

**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 December 31, 2017. 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: \$12,840 is restricted in the General Fund for security deposits. \$5,121 is restricted in the Housing Choice Voucher fund for prepaid Admin Fee Revenue.

At December 31, 2017, the Housing Authority's carrying amount of deposits was \$558,810 and the bank balance was \$580,439, which includes \$169,121 in certificates of deposits classified as investments. Petty cash consists of \$75. \$500,000 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$80,439 was covered by pledged securities. However, this \$80,439 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

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

DECEMBER 31, 2017

**NOTE 3 – ACCOUNTS RECEIVABLE** The receivables at December 31, 2017, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total</u>
Local sources:			
Tenants	\$ 785	\$ 0	\$ 785
Total	\$ 785	\$ 0	\$ 785

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets				
Land and buildings	\$ 193,303	\$ 0	\$ 0	\$ 193,303
Depreciable assets:				
Buildings	5,280,267	50,546	0	5,330,813
Furniture and equipment	217,201	0	0	217,201
Total capital assets	5,690,771	50,546	0	5,741,317
Less: accumulated depreciation				
Buildings	4,418,250	126,252	0	4,544,502
Furniture and equipment	212,331	2,168	0	214,499
Total accumulated depreciation	4,630,581	128,420	0	4,759,001
Total capital assets, net	\$ 1,060,190	\$ (77,874)	\$ 0	\$ 982,316

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

DECEMBER 31, 2017

**NOTE 5 – ACCOUNTS PAYABLE** The payables at December 31, 2017 are as follows:

	General	Housing Choice Voucher	Total
Payroll taxes & Retirement withheld	610	0	610
Total	\$ 610	\$ 0	\$ 610

**NOTE 6 – COMPENSATED ABSENCES** At December 31, 2017, employees of the Housing Authority have accumulated and vested \$24,863 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 December 31, 2017.

	Compensated Absences
Balance, beginning	\$ 23,169
Additions	24,042
Deletions	22,528
Balance, ending	24,683
Amounts due in one year	\$ 10,045

**NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES** At December 31, 2017, the Housing Choice Voucher fund owes the General Fund \$8,578. For financial statement purposes, this amount was deducted from Housing Choice Voucher fund cash and added to General Fund cash.

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

DECEMBER 31, 2017

**NOTE 9 – RETIREMENT SYSTEM** The Housing Authority participates in the Housing Renewal and Agency Retirement Trust (HART), which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan on the first day of the month after completing one continual year of employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 6% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 14.5% of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Renewal and Agency Retirement Trust (HART) may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$57,787 for the year ended December 31, 2017, of which \$40,874 was paid by the Housing Authority and \$16,913 was paid by employees. No payments were made out of the forfeiture account.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

**Commitments** The Authority entered into an Employment Agreement with the Executive Director, effective January 1, 2016, which replaced an agreement with similar provisions. The Agreement is for five years, and the Board will vote on an additional five year term at least ninety days in advance of the end of the current five year term. The Executive Director may terminate the Agreement at any time, provided she gives at least sixty days written notice to the Board prior to her resignation.

The Agreement may be terminated by the Board at any time, provided thirty days written notice is given and due process is followed. If the Executive Director is terminated without cause, the Authority is obligated to pay a lump sum equal to the salary and benefits she would have received for the remainder of the five year term. If the Executive Director leaves for any reason, the Authority is obligated to pay all unused but earned annual leave, in accordance with the Employment Agreement.

**Litigation** The Housing Authority is not presently involved in litigation.

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

DECEMBER 31, 2017

**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 December 31, 2017. 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, 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 Group Self Insured Fund (LHC) 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 11 – ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$1,170,522 to the Housing Authority, which represents approximately 77% of the Housing Authority's total revenue and capital contributions for the year.

**NOTE 12 - SUBSEQUENT EVENTS** Management has evaluated events and transactions subsequent to the statement of net position date through, June 19, 2018, 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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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 Pineville  
Pineville, 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 each major fund of the Housing Authority of the City of Pineville, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Pineville, Louisiana's basic financial statements, and have issued our report thereon dated June 19, 2018.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Pineville, 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 the City of Pineville, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Pineville, Louisiana's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Pineville, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***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 19, 2018



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Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Housing Authority of Pineville  
Pineville, Louisiana

***Report on Compliance for Each Major Federal Program***

We have audited the Housing Authority of the City of Pineville, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Pineville, Louisiana's major federal programs for the year ended December 31, 2017. The Housing Authority of the City of Pineville, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Pineville, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Pineville, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority of the City of Pineville, Louisiana's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Housing Authority of the City of Pineville, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

### ***Report on Internal Control Over Compliance***

Management of the Housing Authority of the City of Pineville, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Pineville, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Pineville, Louisiana's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of Housing Authority of the City of Pineville, Louisiana as of and for the year ended December 31, 2017, and have issued our report thereon dated June 19, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
June 19, 2018

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

YEAR ENDED DECEMBER 31, 2017

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	\$ 272,518
Capital Fund Program	14.872	127,633
Housing Choice Voucher	14.871	770,371
Total United States Department of Housing and Urban Development		\$ 1,170,522
Total Expenditures of Federal Awards		\$ 1,170,522

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED DECEMBER 31, 2017

**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 City of Pineville, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended December 31, 2017. 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	\$ 1,119,975
Capital contributions	50,547
	\$ 1,170,522
Total	\$ 1,170,522

**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.

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

YEAR ENDED DECEMBER 31, 2017

**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

**Audit of Federal Awards**

1. Internal Control Over Major Programs:
  - a. Material weakness(es) identified? \_\_\_\_\_ yes ✓ no
  - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes ✓ none reported
2. Type of Auditor’s Report Issued on Compliance For Major Programs – Unmodified.
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ yes ✓ no
4. The programs tested as major programs include:

CFDA# 14.871                      Section 8 Housing Choice Voucher
5. Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000
6. Auditee qualified as low-risk auditee? ✓ yes \_\_\_\_\_ no
7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

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

YEAR ENDED DECEMBER 31, 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:**

None

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

YEAR ENDED DECEMBER 31, 2017

**Section III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):**

None

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
CORRECTIVE ACTION PLAN

YEAR ENDED DECEMBER 31, 2017

There were no audit findings.

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

YEAR ENDED DECEMBER 31, 2017

**The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:**

There were no prior audit findings.

**SUPPLEMENTARY INFORMATION**

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

YEAR ENDED DECEMBER 31, 2017

CASH BASIS

	2015	2016	2017
	Capital Fund	Capital Fund	Capital Fund
Funds approved	\$ 122,108	\$ 126,115	\$ 134,076
Funds expended	115,132	98,585	33,519
Excess of funds approved	\$ 6,976	\$ 27,530	\$ 100,557
Funds advanced	\$ 115	\$ 98,585	\$ 33,519
Funds expended	115	98,585	33,519
Excess (Deficiency) of funds advanced	\$ 0	\$ 0	\$ 0

See accountant's report

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

YEAR ENDED DECEMBER 31, 2017

**Agency Head Name:** Michelle Waldrop, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 85,369
Benefits-insurance	16,130
Benefits-retirement	11,490
Benefits-<list any other here>	
Car allowance	
Vehicle provided by government	
Per diem	192
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
<b>Total</b>	<b>\$ 113,181</b>

See accountant's report



MIKE ESTES, CPA

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ACCOUNTANTS  
and the  
AICPA GOVERNMENTAL  
AUDIT QUALITY CENTER

## AGREED UPON PROCEDURES REPORT

### Independent Accountant's Report On Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Pineville 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 January 1, 2017 through December 31, 2017. The Pineville 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***

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1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts***, including receiving, recording, and preparing deposits

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards** (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111- 1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results of Testing:

- a) Policies-The Authority has policies for Personnel, Credit Cards, Travel and Expense Reimbursements, and Ethics. In addition, the Authority has other policies, many which are required by HUD. We have directed Management to the policies listed under the Best Practices on the LLA's website. In addition, we have provided examples of all the policies listed above.

We recommend to Management that they revise the policies they presently have or adopt new ones, to fully comply with the state law. The policies need to be revised to the Authority's particular situation.

- b) Budgeting-We also note that since the expenditures per the audit year exceeded \$500,000, a notice should have been posted and also published in a local publication at least ten days before a public hearing to adopt the annual operating budget. The Authority did not timely publish or post a notice. A public hearing was held. The Board of Commissioners reviewed and approved the operating budget.

A notice should be both published in a local publication and posted at least ten days in advance before the public hearing on adoption of the annual operating budgets.

Corrective Action Response:

I am Michele Newton, Executive Director and Designated Person to respond to these AUP suggestions. We will do as the auditor suggests.

## ***Board***

---

2. Obtain and review the board/committee minutes for the fiscal period, and:

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

### Results of Testing:

- a) The Authority met as often as needed to comply with state law and its governing document.
- b) The minutes did not note that budget-to-actual comparisons were made, although the minutes indicate that the Board reviewed financial statements. The minutes should note that these budget-to-actual comparisons are made at each meeting.

### Corrective Action Response:

We will perform the comparisons noted in (b) above and document them in the minutes.

## ***Bank Reconciliations***

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

### Results of Testing:

We received Management's representations that the list is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results of Testing:

- a) Bank reconciliations were prepared on a monthly basis.
- b) Bank reconciliations include evidence that a member of Management or a board member [with no involvement in the transactions associated with the bank account] has reviewed each bank reconciliation.
- c) The Section Eight Housing Choice Voucher Fund year end bank reconciliation included six checks that were six months or older that totaled an immaterial amount of \$227. The bank recs did not include documentation that these checks had been reviewed and determined that they continue to be listed as such.

In the future, year- end bank recs should include documentation that all checks six months or older were reviewed and should continue to be listed as outstanding.

Corrective Action Response:

We will do as the auditor suggests.

***Collections***

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

Results of Testing:

We obtained Management's representations that the list is complete.

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

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

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results of Testing:

- a) The employees that accept tenant deposits are bonded. The persons that accept payments do not make the bank deposits or reconcile the bank account.
- b) Written documentation exists that there is a person to reconcile cash collections to the general ledger and rental register by a person who is not responsible for cash collections.
- c) For our test period, all tenant receipts were deposited within one business day of collection. For our test period, the rental receipts, rental register, bank statement, and general ledger were satisfactorily reconciled.

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

Results of Testing:

Management has a procedure that defines how to determine the completeness of collections, including electronic transfers by a person not responsible for collections.

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

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

Results of Testing:

We obtained Management's representations that the list is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

#### Results of Testing:

The Authority does not use purchase orders or receiving reports. It appears that there may be two ways for the Authority to better document in this area. First, the Authority should consider using pre-numbered purchase orders, when appropriate. If this is done, both the person initiating and also the person approving the items should either initial or sign the purchase order.

Best Practices, noted in 9(a) above, is that documentation exists that at least two people were involved in the order-the person initiating the purchase and the person approving the purchase. For the second method noted in this paragraph, when purchase orders are not used, the person who initiates the order and the person that approves the order should both initial besides the invoice, once all items ordered on the invoice (which may be several) are checked as being properly ordered. The initials should be circled.

In lieu of using receiving reports, 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 initial([to differentiate from the purchase order function, noted in the above paragraph).

#### Corrective Action Response:

We will do as the auditor suggests.

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

#### Results of Testing:

Language requiring the Executive Director's approval is included in the Purchasing, Disbursements, and Contracting Policy that we will soon adopt.

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

#### Results of Testing:

The persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

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

Results of Testing:

The supply of unused checks is maintained in a locked location, with access restricted to those persons who do not have signatory authority.

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

Results of Testing:

A signature machine is not used. A signature stamp is used. It is kept in a secure area, under the control of the Executive Director.

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

---

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

Results of Testing:

Management represented that the list is complete.

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

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

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

Results of Testing:

- a) The monthly statements tested had supporting documentation that the charges were reviewed and approved in writing by someone else other than the authorized card holder.
- b) No finance charges and/or late fees were assessed on the statements tested.

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

- a) For each transaction, report whether the transaction is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased)
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results of Testing:

- a) The monthly statements contained itemized receipts for all goods and services tested. However, the monthly statements tested did not have documentation that the goods purchased per the statement were checked for receipt and whether it agreed to what was ordered. The statements we tested that were used for gasoline purchased also had no documentation that the charges were reviewed.
- b) For each transaction tested, there was an original itemized receipt, and the business purpose documented.
- c) For each transaction tested, the transaction was in compliance with the requirements of Article 7, Section 14, of the Louisiana Constitution.

We recommend that either a) all charges per the statement be initialed by the reviewer (see #9), or the statements be initialed or signed in a uniform place, to indicate every charge on the statement was reviewed.

Corrective Action Response:

We will do as the auditor suggests.

***Travel and Expense Reimbursement***

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

---

### Results of Testing:

Management represented that the list is complete.

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

### Results of Testing:

The Policy states that the out of town travel of \$96 per diem for a 24 hour period, with pro-rations for less than 24 hours.

The Authority should consider revising the per diem rate to that listed at [www.gsa.gov](http://www.gsa.gov), as per date and location. The Authority should consider revising this to the IRS rate in effect for the year of travel, which is currently \$0.36.5 per mile for privately owned automobiles.

### Corrective Action Response:

We will do as the auditor suggests.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
  - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Testing:

- a) Travel expenses were in compliance with written policies.
- b) Travel expenses were well documented.
- c) The expense documentation was reviewed by someone other than the person receiving reimbursement.

***Contracts***

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

Results of Testing:

Management represented that the list is complete.

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

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

Results of Testing:

- a) Written contracts supported the amounts paid.
- b) The highest paid vendor performs a type of work that Management claims is scarce in the PHA's area. The Authority is not required to rotate or change vendors. However, other prices should be

obtained to review for reasonableness, even if sources as far away as Shreveport or New Orleans need to be contacted. We realize the geographical difference might rule out using those vendors.

The second highest vendor was the fee accountant. HUD regulations require the Authority, for professional services, request proposals and evaluate based on criteria, at least every sixth year. The Authority can go up to five years with a professional before the need to solicit. It appears that it has been more than five years since this was done. As the time for the current contract approaches expiration, the Authority should solicit proposals and evaluate according to criteria.

Other bids were obtained for the third largest vendor.

The same comments apply to the fourth and fifth largest vendors as noted above for the highest vendor.

Corrective Action Response:

We will comply with the auditor's suggestions.

***Payroll and Personnel***

---

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

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

Results of Testing:

- a) Payments were made in accordance with the terms and conditions of the employment contract to or pay rate structure.
- b) Changes were made to the pay rates/salaries during the fiscal period for the tested employees were approved in writing and in accordance with policy.

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

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

Results of Testing:

- a) All employees tested documented their daily attendance and leave.
- b) There was written documentation that supervisors approved in writing the attendance and leave of the tested employees. The one exception that no one signed the Executive Director's time sheet. We recommend that either an employee or a board member sign the E.D.s timesheets.
- c) There was written documentation of earned leave.

Correction Action Response

We will do as the auditor suggests.

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

Results of Testing:

No termination payments were made during the year.

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

Results of Testing:

No exceptions were noted in the above tests.

*Ethics (excluding nonprofits)*

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

Results of Testing:

The five tested employees did not obtain the required ethics training during the audit year. However, all five did in February 2018. Employees and also board members should obtain the required annual ethics training.

Corrective Action Response:

We will comply with the above recommendation.

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

Results of Testing:

Management represents that no alleged ethics violations were reported during the fiscal year.

***Debt Service (excluding nonprofits)***

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

Results of Testing:

Not applicable.

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

Results of Testing:

Not applicable.

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

Results of Testing:

Not applicable.

***Other***

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

Results of Testing:

Management represents that they are not aware of any misappropriation of public funds or assets.

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

Results of Testing:

Management has the notice posted.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results of Testing:

No exceptions to Management's representations were noted.

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 19, 2018

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2017

<b>Entity Wide Balance Sheet Summary</b>				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
111 Cash - Unrestricted	\$369,054	\$2,749		\$371,803
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$5,121		\$5,121
114 Cash - Tenant Security Deposits	\$12,840			\$12,840
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$381,894	\$7,870		\$389,764
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$785			\$785
126.1 Allowance for Doubtful Accounts - Tenants	\$0			\$0
126.2 Allowance for Doubtful Accounts - Other				
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable	\$184			\$184
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$969	\$0		\$969
131 Investments - Unrestricted	\$169,121			\$169,121
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$10,434			\$10,434
143 Inventories	\$5,410			\$5,410
143.1 Allowance for Obsolete Inventories	-\$271			-\$271
144 Inter Program Due From	\$0			\$0
145 Assets Held for Sale				
150 Total Current Assets	\$567,557	\$7,870		\$575,427
161 Land	\$193,302			\$193,302
162 Buildings	\$4,974,936			\$4,974,936
163 Furniture, Equipment & Machinery - Dwellings	\$87,808			\$87,808
164 Furniture, Equipment & Machinery - Administration	\$123,184	\$6,209		\$129,393
165 Leasehold Improvements	\$355,878			\$355,878
166 Accumulated Depreciation	-\$4,752,792	-\$6,209		-\$4,759,001
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$982,316	\$0		\$982,316
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	\$982,316	\$0		\$982,316
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$1,549,873	\$7,870		\$1,557,743

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2017

Entity Wide Balance Sheet Summary				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
311 Bank Overdraft				
312 Accounts Payable <= 90 Days				
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$610			\$610
322 Accrued Compensated Absences - Current Portion	\$9,187	\$858		\$10,045
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$25,937			\$25,937
341 Tenant Security Deposits	\$12,840			\$12,840
342 Unearned Revenue	\$861			\$861
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				
347 Inter Program - Due To		\$0		\$0
348 Loan Liability - Current				
310 Total Current Liabilities	\$49,435	\$858		\$50,293
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	\$14,504	\$135		\$14,639
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$14,504	\$135		\$14,639
300 Total Liabilities	\$63,939	\$993		\$64,932
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$982,314			\$982,314
511.4 Restricted Net Position	\$0	\$5,121		\$5,121
512.4 Unrestricted Net Position	\$503,620	\$1,756		\$505,376
513 Total Equity - Net Assets / Position	\$1,485,934	\$6,877		\$1,492,811
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,549,873	\$7,870		\$1,557,743

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$331,857		\$331,857
70400 Tenant Revenue - Other	\$4,023		\$4,023
70500 Total Tenant Revenue	\$335,880	\$0	\$335,880
70600 HUD PHA Operating Grants	\$272,518	\$77,086	\$349,604
70610 Capital Grants		\$50,547	\$50,547
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	\$1,766		\$1,766
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	\$7,125		\$7,125
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$617,289	\$127,633	\$744,922
91100 Administrative Salaries	\$112,378		\$112,378
91200 Auditing Fees	\$7,213	\$2,400	\$9,613
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$30		\$30
91500 Employee Benefit contributions - Administrative	\$54,871		\$54,871
91600 Office Expenses	\$14,511		\$14,511
91700 Legal Expense			
91800 Travel	\$1,094		\$1,094
91810 Allocated Overhead			
91900 Other	\$19,367		\$19,367
91000 Total Operating - Administrative	\$209,464	\$2,400	\$211,864
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$2,290		\$2,290
92500 Total Tenant Services	\$2,290	\$0	\$2,290
93100 Water	\$22,387		\$22,387
93200 Electricity	\$21,523		\$21,523
93300 Gas	\$5,838		\$5,838
93400 Fuel			
93500 Labor			
93600 Sewer	\$22,742		\$22,742

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$72,490	\$0	\$72,490
94100 Ordinary Maintenance and Operations - Labor	\$122,151		\$122,151
94200 Ordinary Maintenance and Operations - Materials and Other	\$40,851		\$40,851
94300 Ordinary Maintenance and Operations Contracts	\$27,242		\$27,242
94500 Employee Benefit Contributions - Ordinary Maintenance	\$57,883		\$57,883
94000 Total Maintenance	\$248,127	\$0	\$248,127
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	\$21,286		\$21,286
96120 Liability Insurance	\$11,740		\$11,740
96130 Workmen's Compensation	\$7,551		\$7,551
96140 All Other Insurance	\$4,549		\$4,549
96100 Total insurance Premiums	\$45,126	\$0	\$45,126
96200 Other General Expenses			
96210 Compensated Absences	\$24,460		\$24,460
96300 Payments in Lieu of Taxes	\$25,937		\$25,937
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$50,397	\$0	\$50,397
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	\$627,894	\$2,400	\$630,294
97000 Excess of Operating Revenue over Operating Expenses	-\$10,605	\$125,233	\$114,628
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$128,423		\$128,423
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$756,317	\$2,400	\$758,717

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$77,086		\$77,086
10020 Operating transfer Out		-\$77,086	-\$77,086
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)	\$77,086	-\$77,086	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$61,942	\$48,147	-\$13,795
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,499,729	\$0	\$1,499,729
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
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	1452		1452
11210 Number of Unit Months Leased	1451		1451
11270 Excess Cash	\$450,225		\$450,225
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$50,547	\$50,547
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 PINEVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2017

<b>Entity Wide Revenue and Expense Summary</b>				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
70300 Net Tenant Rental Revenue	\$331,857			\$331,857
70400 Tenant Revenue - Other	\$4,023			\$4,023
70500 Total Tenant Revenue	\$335,880	\$0		\$335,880
70600 HUD PHA Operating Grants	\$349,604	\$770,371		\$1,119,975
70610 Capital Grants	\$50,547			\$50,547
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	\$1,766	\$23		\$1,789
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	\$7,125	\$13,452		\$20,577
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$744,922	\$783,846		\$1,528,768
91100 Administrative Salaries	\$112,378	\$48,261		\$160,639
91200 Auditing Fees	\$9,613	\$3,092		\$12,705
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing	\$30			\$30
91500 Employee Benefit contributions - Administrative	\$54,871	\$24,059		\$78,930
91600 Office Expenses	\$14,511	\$14,830		\$29,341
91700 Legal Expense				
91800 Travel	\$1,094	\$29		\$1,123
91810 Allocated Overhead				
91900 Other	\$19,367	\$773		\$20,140
91000 Total Operating - Administrative	\$211,864	\$91,044		\$302,908
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$2,290			\$2,290
92500 Total Tenant Services	\$2,290	\$0		\$2,290
93100 Water	\$22,387			\$22,387
93200 Electricity	\$21,523			\$21,523
93300 Gas	\$5,838			\$5,838
93400 Fuel				
93500 Labor				
93600 Sewer	\$22,742			\$22,742

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2017

<b>Entity Wide Revenue and Expense Summary</b>				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$72,490	\$0		\$72,490
94100 Ordinary Maintenance and Operations - Labor	\$122,151			\$122,151
94200 Ordinary Maintenance and Operations - Materials and Other	\$40,851			\$40,851
94300 Ordinary Maintenance and Operations Contracts	\$27,242			\$27,242
94500 Employee Benefit Contributions - Ordinary Maintenance	\$57,883			\$57,883
94000 Total Maintenance	\$248,127	\$0		\$248,127
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	\$21,286			\$21,286
96120 Liability Insurance	\$11,740			\$11,740
96130 Workmen's Compensation	\$7,551	\$1,438		\$8,989
96140 All Other Insurance	\$4,549	\$317		\$4,866
96100 Total insurance Premiums	\$45,126	\$1,755		\$46,881
96200 Other General Expenses				
96210 Compensated Absences	\$24,460	\$4,664		\$29,124
96300 Payments in Lieu of Taxes	\$25,937			\$25,937
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$50,397	\$4,664		\$55,061
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	\$630,294	\$97,463		\$727,757
97000 Excess of Operating Revenue over Operating Expenses	\$114,628	\$686,383		\$801,011
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments		\$672,236		\$672,236
97350 HAP Portability-In		\$10,763		\$10,763
97400 Depreciation Expense	\$128,423			\$128,423
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$758,717	\$780,462		\$1,539,179

HOUSING AUTHORITY OF PINEVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2017

Entity Wide Revenue and Expense Summary				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
10010 Operating Transfer In	\$77,086			\$77,086
10020 Operating transfer Out	-\$77,086			-\$77,086
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$13,795	\$3,384		-\$10,411
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	\$1,499,729	\$3,493		\$1,503,222
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				
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		\$1,756		\$1,756
11180 Housing Assistance Payments Equity		\$5,121		\$5,121
11190 Unit Months Available	1452	1980		3432
11210 Number of Unit Months Leased	1451	1822		3273
11270 Excess Cash	\$450,225			\$450,225
11610 Land Purchases	\$0			\$0
11620 Building Purchases	\$50,547			\$50,547
11630 Furniture & Equipment - Dwelling Purchases	\$0			\$0
11640 Furniture & Equipment - Administrative Purchases	\$0			\$0
11650 Leasehold Improvements Purchases	\$0			\$0
11660 Infrastructure Purchases	\$0			\$0
13510 CFFP Debt Service Payments	\$0			\$0
13901 Replacement Housing Factor Funds	\$0			\$0