

**HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL DATA**

**TWELVE MONTHS ENDED SEPTEMBER 30, 2017**

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

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MIKE ESTES, CPA

**MIKE ESTES, P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
4040 FOSSIL CREEK BLVD. – SUITE 100  
FORT WORTH, TEXAS 76137

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Phone (817) 831-3553  
Fax (817) 831-3558  
e-mail: [office@mikeestepc.com](mailto:office@mikeestepc.com)  
website: [mikeestepc.com](http://mikeestepc.com)

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ACCOUNTANTS  
and the  
AICPA GOVERNMENTAL  
AUDIT QUALITY CENTER

## Independent Auditor's Report

Board of Commissioners  
Housing Authority of Haynesville  
Haynesville, Louisiana

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

We have audited the accompanying financial statements of the Housing Authority of the Town of Haynesville, Louisiana as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of Haynesville basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the Town of Haynesville, Louisiana, as of September 30, 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 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2018 on our consideration of the Housing Authority of the Town of Haynesville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the Town of Haynesville, Louisiana's internal control over financial reporting and compliance.



Mike Estes, P.C.  
Fort Worth, Texas  
April 11, 2018

**HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA**

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2017**

**The management of Public Housing Authority of Haynesville, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 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 \$829,423 at the close of the fiscal year ended 2017.
  - ✓ Of this amount \$535,653 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
  - ✓ The remainder of \$293,770 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 49% of the total operating expenses of \$602,344 for the fiscal year 2017, which means the Authority might be able to operate about 6 months using the unrestricted assets alone, compared to 4 months in the prior fiscal year.
- The Housing Authority's total net position increased by \$17,060, a 2% increase from the prior fiscal year 2016. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net position of these funds was accompanied by an increase in unrestricted cash by \$124,057 from fiscal year 2016, primarily due to spending \$84,839 less for operations than Federal funds received for operations; spending \$39,217 less for capital assets than Federal capital grants received; and transferring \$0 of excess cash into investments
- The Authority spent \$55,932 on construction in progress during the current fiscal year.
- These changes led to an increase in total assets by \$41,396 and an increase in total liabilities by \$24,336. As related measure of financial health, there are still over \$7 of current assets covering each dollar of total current liabilities, which compares to \$9 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### Reporting on the Housing Authority as a Whole

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

Low Rent Public Housing	\$ 306,374
Public Housing Capital Fund Program	<u>106,488</u>
Total funding received this current fiscal year	<u>\$ 412,862</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.

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Housing Authority of Haynesville, LA  
Management's Discussion and Analysis (MD&A)  
September 30, 2017

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**FINANCIAL ANALYSIS**

The Housing Authority's net position was \$829,423 as of September 30, 2017. Of this amount, \$535,653 was invested in capital assets, and the remaining \$293,770 was unrestricted. No other specific Assets are restricted.

**CONDENSED FINANCIAL STATEMENTS**

**Condensed Statement of Net Position**

**As of September 30, 2017**

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>ASSETS</b>		
Current assets	\$ 360,826	\$ 263,358
Capital assets, net of depreciation	535,653	591,725
Total assets	<u>896,479</u>	<u>855,083</u>
<b>LIABILITIES</b>		
Current liabilities	51,210	27,885
Non-current liabilities	15,846	14,835
Total liabilities	<u>67,056</u>	<u>42,720</u>
<b>NET POSITION</b>		
Invested in capital assets, net of depreciation	535,653	591,725
Unrestricted net position	293,770	220,638
Total net position	<u>829,423</u>	<u>812,363</u>

Housing Authority of Haynesville, LA  
 Management's Discussion and Analysis (MD&A)  
 September 30, 2017

**CONDENSED FINANCIAL STATEMENTS (Continued)**

The net position of these funds increased by \$17,060, or by 2%, from those of fiscal year 2016, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

**Condensed Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Fiscal Year Ended September 30, 2017**

	2017	2016
<b>OPERATING REVENUES</b>		
Dwelling rental	\$ 173,321	\$ 168,772
Governmental operating grants	356,929	327,044
Other Tenant revenue	9,691	8,912
Other	23,530	35,062
	563,471	539,790
<b>OPERATING EXPENSES</b>		
Administration	254,259	254,787
Tenant services	350	2,100
Utilities	17,314	17,399
Ordinary maintenance & operations	134,301	187,059
General expenses	84,115	74,925
Depreciation	112,005	111,006
	602,344	647,276
Income (Loss) from Operations	(38,873)	(107,486)
Non Operating Revenues (Expenses)		
Interest income	0	191
	0	191
Income (Loss) before contribution	(38,873)	(107,295)
Capital Contribution	55,933	52,875
Change in net position	17,060	(54,420)
Total net position - beginning	812,363	866,783
Total net position - ending	\$ 829,423	\$ 812,363

**EXPLANATIONS OF FINANCIAL ANALYSIS**

Compared with the prior fiscal year, total operating, non-operating revenues, and capital contribution increased \$26,548, or by 4%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

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Housing Authority of Haynesville, LA  
Management's Discussion and Analysis (MD&A)  
September 30, 2017

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- Total tenant revenue increased by \$4,549, or by 3% from that of the prior fiscal year, because occupancy rates decreased by 1%, and because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total. Finally, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) increased by \$779, or by 9%.
- Federal revenues from HUD for operations increased by \$29,885, or by 9% 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. There was an increase in the number of eligible tenants receiving subsidies, so Housing Assistance Grants increased accordingly, lowering the overall total.
- Federal Capital Funds from HUD increased by \$3,058, or by 6% 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 2013 through 2016, and submitted a new grant during fiscal year 2017.
- Total other operating revenue decreased by \$11,532, or by 33% from that of the prior fiscal year, because the Authority received proceeds from casualty insurance claims, which are recorded as other income by the Authority in the year received, and the Authority received some waivers of payments in lieu of taxes (PILOT) from its related City taxing authority.
- Interest income decreased by \$191 from that of the prior fiscal year, because the Authority spent available cash mostly on capital assets instead of temporary investments.

Compared with the prior fiscal year, total operating expenses decreased \$44,932, or by 7%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Depreciation expense increased by \$999, or by 1% from that of the prior fiscal year, because there was an increase in capital assets by \$59,672.
- Maintenance and repairs decreased by \$52,758, or by 20% from that of the prior fiscal year, due to several major factors: Repair staff wages decreased by \$33,590, or by 49%, and related employee benefit contributions decreased by \$21,302, or by 92%. Also, materials used decreased by \$12,190, or by 25%, and contract labor costs increased by \$14,326.
- General Expenses increased by \$9,189, or by 12% from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$464, or by 3%. Insurance premiums increased by \$2,593, or by 5%, property and casualty insurance premiums increased, Bad debts increased by \$2,887, or by 77%, because these changed roughly proportional to rent, which increased by 3%. Lastly, compensated absences increased by \$3,245, or by 66%.
- Administrative Expenses decreased by \$528 from that of the prior fiscal year, due to a combination of offsetting factors: Administrative staff salaries increased by \$5,877, or by 4%, and related employee benefit contributions decreased by \$5,354, or by 13%. Legal fees increased by \$909; thus, total outside professional fees decreased by 8%. Finally, staffs travel reimbursements decreased by \$2,420, or by 37%, office expenses decreased by \$6,142, or by 15%, but sundry expenses increased by \$8,420, or by 90%.
- Utilities Expense decreased by \$85 from that of the prior fiscal year, because water cost increased by \$222, due to an increase in rate by 24%, electricity cost decreased by \$1,137, due to a decrease in rate by 8%, gas cost increased by \$867, due to an increase in rate by 49%, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$830, or by 38%.

- Tenant services, totaling \$350, did not change significantly from the prior to the current year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At September 30, 2017, the Housing Authority had a total cost of \$6,325,379 invested in a broad range of assets and construction in progress from projects funded in 2013 through 2016, listed below. This amount, not including depreciation, represents increases of \$55,932 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation**

	<u>2017</u>	<u>2016</u>
Land	\$ 1,534	\$ 1,534
Buildings	496,884	534,216
Leashold improvements	10,986	13,910
Furniture and equipment	26,249	42,065
Total	\$ 535,653	\$ 591,725

As of the end of the 2017 fiscal year, the Authority is still in the process of completing HUD grants of \$471,797 obtained during 2013 through 2016 fiscal years. A total remainder of \$184,130 will be received and \$184,410 will be spent for completing these projects during fiscal year 2018.

**Debt**

Non-current liabilities also include accrued annual vacation and sick 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 2017 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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

**CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT**

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

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

**ASSETS**

## Current assets

Cash and cash equivalents	\$ 257,621
Accounts receivable net	52,205
Prepaid items and other assets	24,447
Inventory	592
Restricted assets - cash and cash equivalents	25,961
	<hr/>
Total Current Assets	360,826
	<hr/>

## Capital Assets, net

Land and other non-depreciated assets	1,534
Other capital assets - net of depreciation	534,119
	<hr/>
Total Capital Assets, net	535,653
	<hr/>

Total Assets	\$ 896,479
	<hr/> <hr/>

**LIABILITIES**

## Current Liabilities

Accounts payable	\$ 17,945
Unearned income	18,372
Compensated absences payable	5,762
Deposits due others	9,131
	<hr/>
Total Current Liabilities	51,210
	<hr/>

## Noncurrent Liabilities

Compensated absences payable	15,846
	<hr/>
Total Liabilities	67,056
	<hr/>

**NET POSITION**

Net investment in capital assets	535,653
Unrestricted	293,770
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Net Position	\$ 829,423
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The Notes to the Financial Statements are an integral part of these statements.

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

<b>OPERATING REVENUES</b>	
Dwelling rental	\$ 173,321
Governmental operating grants	356,929
Other Dwelling	9,691
Other	23,530
	<hr/>
Total Operating Revenues	563,471
	<hr/>
<b>OPERATING EXPENSES</b>	
Administration	254,259
Tenant services	350
Utilities	17,314
Ordinary maintenance & operations	134,301
General expenses	84,115
Depreciation	112,005
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Total Operating Expenses	602,344
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Income (Loss) from Operations	(38,873)
	<hr/>
Non Operating Revenues (Expenses)	0
	<hr/>
Total Non-Operating Revenues (Expenses)	0
	<hr/>
Income (Loss) before contribution	(38,873)
	<hr/>
Capital Contribution	55,933
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Change in net position	17,060
Total net position - beginning	812,363
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Total net position - ending	\$ 829,423
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The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Rental receipts	\$ 184,248
Other receipts	38,067
Federal grants	384,416
Payments to vendors	(255,063)
Payments to employees – net	(227,611)
	124,057
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(55,933)
Federal Capital Grants	55,933
	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	0
	0
	0
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	124,057
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning of Fiscal Year	159,525
	159,525
<b>CASH AND CASH EQUIVALENTS</b>	
End of Fiscal Year	\$ 283,582
	283,582

Continued

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

Operating income (loss)	\$	(38,873)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense		112,005
Provision of uncollectible accounts		31
Change in assets and liabilities:		
Receivables		31,188
Prepaid items		(4,132)
Inventory		(623)
Account payables		4,444
Unearned income		18,021
Deposits due others		576
Accrued compensated absences		1,420
Net cash provided (used) by operations	\$	<u>124,057</u>

Concluded

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

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

SEPTEMBER 30, 2017

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

SEPTEMBER 30, 2017

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

**A. REPORTING ENTITY** Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the 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 Town of Haynesville, serve staggered multi-year terms.

The Housing Authority has the following units:

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

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

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

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

SEPTEMBER 30, 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.

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

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

SEPTEMBER 30, 2017

**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 \$283,582. This is comprised of cash and cash equivalents of \$257,621 and restricted assets – cash of \$25,961, 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 HAYNESVILLE, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 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 \$1,500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	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 are placed on net position use as either:

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

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

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

SEPTEMBER 30, 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 September 30, 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: \$9,131 is restricted in the General Fund for security deposits. \$16,830 is restricted for an amount equal to unearned revenue and other current liabilities.

At September 30, 2017, the Housing Authority's carrying amount of deposits was \$283,582 and the bank balance was \$300,774. \$250,000 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$50,774 was covered by pledged securities. However, this \$50,774 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 HAYNESVILLE, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

**NOTE 3 – ACCOUNTS RECEIVABLE** The receivables at September 30, 2017, are as follows:

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 3,002
Federal sources:	
Internal Revenue Service	6,104
Grants	43,099
Total	\$ 52,205

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

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 1,534	\$ 0	\$ 0	\$ 1,534
Depreciable assets:				
Buildings	6,001,939	55,932	0	6,057,871
Furniture and equipment	265,974	0	0	265,974
Total capital assets	6,269,447	55,932	0	6,325,379
Less: accumulated depreciation				
Buildings	5,453,813	99,679	0	5,553,492
Furniture and equipment	223,909	12,325	0	236,234
Total accumulated depreciation	5,677,722	112,004	0	5,789,726
Total capital assets, net	\$ 591,725	\$ (56,072)	\$ 0	\$ 535,653

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

SEPTEMBER 30, 2017

**NOTE 5 – ACCOUNTS PAYABLE** The payables at September 30, 2017 are as follows:

Vendors	\$	8,103
Payroll taxes & Retirement withheld		8,259
Utilities		1,583
		17,945
Total	\$	17,945

**NOTE 6 – COMPENSATED ABSENCES** At September 30, 2017, employees of the Housing Authority have accumulated and vested \$21,608 of employee leave computed in accordance with GASB, Codification Section C60.

**NOTE 7 – LONG-TERM OBLIGATIONS** The following is a summary of the long-term obligation transactions for the year ended September 30, 2017.

		Compensated Absences
Balance, beginning	\$	20,188
Additions		7,810
Deletions		6,390
		21,608
Amounts due in one year	\$	5,762

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

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

SEPTEMBER 30, 2017

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

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

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

**Construction Projects** There are certain renovation or construction projects in progress at September 30, 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, auto, bond, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council 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 10 – ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$412,862 to the Housing Authority, which represents approximately 67% of the Housing Authority's total revenue and capital contributions for the year.

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

SEPTEMBER 30, 2017

**NOTE 11 - SUBSEQUENT EVENTS** Management has evaluated events and transactions subsequent to the statement of net position date through, April 11, 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.



MIKE ESTES, CPA

**MIKE ESTES, P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
4040 FOSSIL CREEK BLVD. – SUITE 100  
FORT WORTH, TEXAS 76137

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Phone (817) 831-3553  
Fax (817) 831-3558  
e-mail: [office@mikeestespc.com](mailto:office@mikeestespc.com)  
website: [mikeestespc.com](http://mikeestespc.com)

MEMBER OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC  
ACCOUNTANTS  
and the  
AICPA GOVERNMENTAL  
AUDIT QUALITY CENTER

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

Independent Auditor's Report

Housing Authority of Haynesville  
Haynesville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of Haynesville, Louisiana, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of Haynesville, Louisiana's basic financial statements, and have issued our report thereon dated April 11, 2018.

***Internal Control Over Financial Reporting***

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as audit findings 2017 – 001 and 2017 – 002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We do consider the deficiency described in the accompanying schedule of findings and questioned costs as audit finding 2017-003 to be a significant deficiency.

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

As part of obtaining reasonable assurance about whether the Housing Authority of Haynesville, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Audit Findings 2017-001 and 2017 – 002.

### ***Response to Finding***

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

### ***Purpose of this Report***

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

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
April 11, 2018

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

YEAR ENDED YEAR ENDED SEPTEMBER 30, 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

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

YEAR ENDED SEPTEMBER 30, 2017

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

Finding 2017-001-Improper Accounting for Capital Fund

Criteria and Condition

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

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

Context

There were too many instances noted to cite them all. But for example, one disbursement was made on November 2, and the funds were drawn down from both the 2014 and 2015 CFPs to cover it. However, the amount was initially fully coded to the 2014 CFP, but a portion was subsequently moved to the 2013 CFP.

Cause

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

Effect

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Action

I am Yolonda Coleman, Assistant Director and Designated Person to answer this. We will do as the auditor suggests.

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

YEAR ENDED SEPTEMBER 30, 2017

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

Finding 2017-002-Record Keeping for Disbursements Needs Improvement

Criteria and Condition

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

Context

Management was able to eventually provide support for most of the items that were initially not adequately supported. At the end of our tests, we still needed support for two monthly re-occurring payments to a well-known insurance carrier that totaled \$4,771, and six monthly payments to a well-known telephone carrier that totaled \$1,685.

In addition, approximately ten individuals were contracted to do various jobs for CFP work. 1099s were duly issued to all the individuals that earned above the \$600 limit. Written contracts existed that outlined their duties and hourly rate. The time sheets had the daily hours and a description of the work, and were signed by both the employee and the PHA supervisor. However, the time sheets were not kept in sequential order and the check number was not written on the time sheet, which made it difficult to match up the timesheet with the payment. We were able to eventually match them, except for an immaterial amount.

Cause

We do not know the cause.

Effect

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

Recommendation

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

Views of Responsible Officials

We will do as the auditor suggests.

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

YEAR ENDED SEPTEMBER 30, 2017

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

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

Criteria and Condition

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

Context

The audit report was not filed by the due date.

Cause

The records were not received from the fee accountant until late February 2018. Information needed directly from Management was not received until after that. The Executive Director was ill a good part of March 2018, which hindered the timely completion of the audit.

Effect

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

Questioned Costs

None.

Recommendation

The audit process should be timely started and finished.

Views of Responsible Officials and Planned Corrective Action

We will timely submit the audit report in the future.

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2017

See Views of Responsible Officials and Planned Corrective Actions in the Schedule of Findings and Questioned Costs on pages 28-30.

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

YEAR ENDED SEPTEMBER 30, 2017

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

General Fund-Low Rent Program-CDFA #14.850 and Capital Funding Program-CDFA #14.872

Finding 2016-001-Unaudited Financial Statements Misstated and Inadequate Review of Unaudited Financial Statements

Criteria and Condition

Numerous audit adjustments were necessary to correct the financial statements. According to Statement on Auditing Standards #115, “inadequate design of controls over a significant account or process” may be a significant deficiency or a material weakness. Both a significant deficiency and a material weakness are defined by the Standard.

Inadequate design of controls over the preparation of the financial statements is an example given in Exhibit B of the Standard.

Recommendation

Management should anticipate before the expenditure is made whether the expenditure is from Low Rent or Capital Funding, and not retroactively change the classification. We realize that this is not always possible. Both Management and the fee accountant should timely communicate, so that classifications are correct the first time.

In addition, Management should obtain assurance, preferably in writing, that the fee accountant has improved their quality control. Preferably Management should ask specifics, about changes in training and supervision, documentation of both, and the anticipated completion date given by the fee accountant of when the new guidelines will be in place.

Current Status

This finding is not repeated in the current audit.

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

YEAR ENDED SEPTEMBER 30, 2017

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

General Fund-Low Rent Program-CDFA #14.850

Finding 2016-002-Error In Travel Reimbursement

Criteria and Condition

In two instances, the Assistant Executive Director reimbursed herself at 56 cents per mile for travel to and from seminars and training, although an Authority vehicle was used. This person personally purchased the gasoline for the trip. The person mistakenly thought that the reimbursement could be made at 56 cents per mile, which was the allowable rate per the IRS, if a personal vehicle was used for business. We first noted this error in late March 2016, when we were performing the audit for the year ended September 30, 2015. We issued a management letter comment regarding this issue. We noted that this individual should reimburse the Authority \$775, for the calculated difference between the amount that was reimbursed and what should have been.

Recommendation

Our recommendations are as follows:

1. The current year calculated amount owed of \$635 and the prior year amount owed of \$775 should be repaid in the next thirty days.
2. Housing Authority logos bearing the name of the Housing Authority be placed on both front doors of all operable Authority vehicles.
3. It is our understanding that all local gasoline purchases are made locally from one vendor. All gas slips should be forwarded to Management, with the vehicle identified and the mileage noted on the gas slip by the Authority employee. These slips should be retained by Management, and variances of usage, if any, reviewed. They should also be retained for third party review.
4. The odometer readings of all vehicles should be recorded by the Authority's long-time clerk on the last business day of the month. A monthly listing should be compiled, and reviewed at every Board of Commissioners meeting.

Current Status

This finding is not repeated in the current audit.

**SUPPLEMENTARY INFORMATION**

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

YEAR ENDED SEPTEMBER 30, 2017

CASH BASIS

	2013 Capital Fund	2014 Capital Fund	2015 Capital Fund	2016 Capital Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Funds approved	\$ 132,003	\$ 76,588	\$ 134,606	\$ 128,600
Funds expended	121,770	59,616	91,601	14,400
Excess of funds approved	<u>\$ 10,233</u>	<u>\$ 16,972</u>	<u>\$ 43,005</u>	<u>\$ 114,200</u>
Funds advanced	\$ 132,003	\$ 66,213	\$ 76,591	\$ 12,860
Funds expended	121,770	59,616	91,601	14,400
Excess (Deficiency) of funds advanced	<u>\$ 10,233</u>	<u>\$ 6,597</u>	<u>\$ (15,010)</u>	<u>\$ (1,540)</u>

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

YEAR ENDED SEPTEMBER 30, 2017

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

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 48,381
Benefits-insurance	
Benefits-retirement	
Benefits-<list any other here>	
Car allowance	
Vehicle provided by government	<enter amount reported on W-2>
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
<b>Total</b>	<b>\$ 48,381</b>

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

YEAR ENDED SEPTEMBER 30, 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	\$ 306,374
Capital Fund Program	14.872	106,488
		<hr/>
Total United States Department of Housing and Urban Development		\$ 412,862
		<hr/> <hr/>
Total Expenditures of Federal Awards		\$ 412,862
		<hr/> <hr/>

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED SEPTEMBER 30, 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 Town of Haynesville, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended September 30, 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	\$	356,929
Capital contributions		55,933
		412,862
Total	\$	412,862

**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.



MIKE ESTES, CPA

MIKE ESTES, P.C.  
A PROFESSIONAL ACCOUNTING CORPORATION  
4040 FOSSIL CREEK BLVD. – SUITE 100  
FORT WORTH, TEXAS 76137

Phone (817) 831-3553  
Fax (817) 831-3558  
e-mail: office@mikeestepc.com  
website: mikeestepc.com

MEMBER OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC  
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 Haynesville Housing Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Haynesville Housing Authority and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA’s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2016 through September 30, 2017. The Haynesville Housing Authority’s management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

#### *Written Policies and Procedures*

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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 Disbursements, Personnel, and Travel related to those listed above. In addition, the Authority has various policies 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 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 published in a local publication at least ten days prior to a public hearing. The Authority timely posted a notice but did not timely publish a notice. A public hearing was held. The Board of Commissioners reviewed and approved the operating budget.

We recommend the notice be timely published in a local publication, before the public hearing to adopt the annual operating budget.

Corrective Action Response:

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

## ***Board***

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

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

### Results of Testing:

- a) The revised By-Laws require for board meetings to be held the second Tuesday of every month. The board met regularly, but not on the designated day of the month.

We recommend that the Board revise the By-Laws to say in effect that the board will meet from time to time as circumstances require, if the Board does not want to meet at the currently designated time.

- b) The minutes did not note that budget-to-actual comparisons were made, although the minutes indicate that the board reviewed the financial statements. We recommend that for each meeting, the minutes should document that the budget-to-actual numbers were reviewed.
- c) The minutes included non-budgetary information at each meeting.

### Corrective Action Response:

We will do as the auditor suggests.

## ***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 have been prepared.
- b) Bank reconciliations included 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) Management had documentation that the three outstanding checks at year-end that were older than 6 months were reviewed and properly shown as outstanding.

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 was 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 payments 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 process 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 written 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:

- a) Purchase orders are used except for call-ins and orders made on the internet.

Good business practices dictate that a system both document that goods were ordered by an authorized person, and that the order was reviewed and approved by a supervisor. An option to document for telephone or on-line orders is for the person who initiates the purchase to initial the invoice, after the person determines that all goods invoiced were ordered. The person who approves the purchase should initial below the first person, after or she also matches the goods ordered to the invoice. Then, the two initials should be circled.

- b) For the purchase orders we were able to review in our sample of 25, the order only included one signature.

We recommend that each purchase order include two persons' signatures or initials-one who initiated the purchase, and a second person who approved the order.

- c) The Authority does not use receiving reports. In lieu of using them, we suggest that the person who makes sure the correct quantity and specs were actually received, initial the invoice. To separate this receiving function from the purchase function noted in [a] above, we recommend that the person initial the invoice, but draw a square around the approving initials. A square should be considered to separate it from the circled initials as noted in [a] above.

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:

There was no documentation in writing that the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing system, although the Executive Director reviews all vendors.

Corrective Action Response:

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:

Neither a signature stamp nor a signature machine is used.

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

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

### 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 Authority purchases its fuel from a local source via credit card. There is no documentation that notes the individual fuel charges were reviewed.

We recommend that each fuel charge that supports the monthly invoice note the driver, and that the mileage was checked. The office person that reviews the Maintenance Department fuel initial and date the charge. For fuel purchased by office employees, should be checked by a separate employee, and the check also initialed besides the charge.

- b) No finance charges and/or late fees were assessed on the statements tested.

### Corrective Action Response

We will do as the auditor suggests.

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) For each transaction tested, there was an original itemized receipt, and the business purpose was documented.
- b) For each transaction tested, the transaction was in compliance with the Authority's Disbursements Policy. All amounts tested were under the Micro Purchase level.
- c) For each transaction tested, the transaction was in compliance with the requirements of Article 7, Section 14, of the Louisiana Constitution.

***Travel and Expense Reimbursement***

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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 was revised in February 2017 to raise the daily per diem is \$75 per day for travel.

The per diem clause should be revised to state that the rate will not exceed the GSA rate for that location and date.

### 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) In our tests, we noted that employees were reimbursed for per diem at \$75 per day.
- a) As noted above, the Travel Policy should be revised to state the per diem rate will be the GSA rate in effect for the travel date and location, as noted at [www.gsa.gov](http://www.gsa.gov).
- b) All reimbursements tested were properly supported and the business purpose was clear.
- c) No payments were noted that were not in accordance with Article 7, Section 14, of the Louisiana Constitution.
- d) Each disbursement tested was reviewed and approved in writing by someone other than the person receiving the reimbursement.

### Corrective Action Response:

We will do as the auditor suggests.

## 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.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

### Results of Testing:

The results of our testing of the five highest vendors is as follows:

- a) Written contracts supported the amounts paid.
- b) Three quotes were received for the top three awards. The fourth largest was for purchase of various maintenance supplies and materials purchased from a local vendor. No other quotes were obtained. It appears the geographically closest similar supplier is 30 miles away.

We suggest that Management anticipate at least some of the larger items, and either obtain other quotes, or document other prices off the internet. This should document that the prices paid to the local supplier are comparable to other prices.

The fifth largest was for professional services. It appears that bids have not been solicited in the last five years. HUD regulations require that the Authority solicit bids for professional services at least in the 6<sup>th</sup> year, and evaluate proposals based on criteria.

We recommend that Management solicit other bids for this professional service and evaluate based on criteria.

- c) The contracts were not amended.
- d) The invoices tested were in terms and conditions of the contracts.
- e) Board approval was not required. However, the board was informed of the bids for the two largest awards, which were for roofing jobs.

Corrective Action Response:

We will do as the auditor suggests.

***Payroll and Personnel***

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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 strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) Changes made to the pay rate/salaries during the fiscal year were approved in writing and in accordance with the 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) The Deputy Director monitors the attendance of all employees and keeps time worked and time off for each employee on a calendar. She tracks sick and vacation time per Civil Service Policy for each employee.

We recommend that time sheets be kept by each employee. Both the employee and the Deputy Director sign each time sheet.

- b) The Deputy Director approved all salary payments. Written documentation should be improved, as noted in [a] above.
- c) Written documentation was present on the Deputy Director's calendar that the entity maintains leave records. However, the documentation needs to be improved, as noted above.

Corrective 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:

Only an immaterial difference was noted in the review of the calculation and deposit of payroll taxes.

*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:

All of the employees tested in #22 above obtained ethics compliance documentation during the audit year,

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 period.

*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 millages 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.lla.la.gov/hotline](http://www.lla.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Testing:

The notice is properly 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  
April 11, 2018

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Entity Wide Balance Sheet Summary</b>			
	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$257,621	\$257,621	\$257,621
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$9,131	\$9,131	\$9,131
115 Cash - Restricted for Payment of Current Liabilities	\$16,830	\$16,830	\$16,830
100 Total Cash	\$283,582	\$283,582	\$283,582
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$43,099	\$43,099	\$43,099
124 Accounts Receivable - Other Government	\$6,104	\$6,104	\$6,104
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$3,002	\$3,002	\$3,002
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$52,205	\$52,205	\$52,205
131 Investments - Unrestricted	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$24,447	\$24,447	\$24,447
143 Inventories	\$623	\$623	\$623
143.1 Allowance for Obsolete Inventories	-\$31	-\$31	-\$31
144 Inter Program Due From	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0
150 Total Current Assets	\$360,826	\$360,826	\$360,826
161 Land	\$1,534	\$1,534	\$1,534
162 Buildings	\$5,437,478	\$5,437,478	\$5,437,478
163 Furniture, Equipment & Machinery - Dwellings	\$96,033	\$96,033	\$96,033
164 Furniture, Equipment & Machinery - Administration	\$169,941	\$169,941	\$169,941
165 Leasehold Improvements	\$620,393	\$620,393	\$620,393
166 Accumulated Depreciation	-\$5,789,726	-\$5,789,726	-\$5,789,726
167 Construction in Progress	\$0	\$0	\$0
168 Infrastructure	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$535,653	\$535,653	\$535,653
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0
180 Total Non-Current Assets	\$535,653	\$535,653	\$535,653
200 Deferred Outflow of Resources	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$896,479	\$896,479	\$896,479

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Entity Wide Balance Sheet Summary</b>			
	Project Total	Subtotal	Total
311 Bank Overdraft	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$8,103	\$8,103	\$8,103
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$8,259	\$8,259	\$8,259
322 Accrued Compensated Absences - Current Portion	\$5,762	\$5,762	\$5,762
324 Accrued Contingency Liability	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0
341 Tenant Security Deposits	\$9,131	\$9,131	\$9,131
342 Unearned Revenue	\$18,372	\$18,372	\$18,372
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$1,583	\$1,583	\$1,583
347 Inter Program - Due To	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0
310 Total Current Liabilities	\$51,210	\$51,210	\$51,210
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$15,846	\$15,846	\$15,846
355 Loan Liability - Non Current	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$15,846	\$15,846	\$15,846
300 Total Liabilities	\$67,056	\$67,056	\$67,056
400 Deferred Inflow of Resources	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$535,653	\$535,653	\$535,653
511.4 Restricted Net Position	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$293,770	\$293,770	\$293,770
513 Total Equity - Net Assets / Position	\$829,423	\$829,423	\$829,423
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$896,479	\$896,479	\$896,479

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$173,321	\$0	\$173,321
70400 Tenant Revenue - Other	\$9,691	\$0	\$9,691
70500 Total Tenant Revenue	\$183,012	\$0	\$183,012
70600 HUD PHA Operating Grants	\$306,374	\$50,555	\$356,929
70610 Capital Grants	\$0	\$55,933	\$55,933
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	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$0	\$0	\$0
71200 Mortgage Interest Income	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0
71500 Other Revenue	\$23,530	\$0	\$23,530
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$512,916	\$106,488	\$619,404
91100 Administrative Salaries	\$149,947	\$0	\$149,947
91200 Auditing Fees	\$11,105	\$0	\$11,105
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$10	\$0	\$10
91500 Employee Benefit contributions - Administrative	\$36,886	\$0	\$36,886
91600 Office Expenses	\$34,297	\$0	\$34,297
91700 Legal Expense	\$0	\$0	\$0
91800 Travel	\$4,199	\$0	\$4,199
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$17,815	\$0	\$17,815
91000 Total Operating - Administrative	\$254,259	\$0	\$254,259
92000 Asset Management Fee	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0
92400 Tenant Services - Other	\$350	\$0	\$350
92500 Total Tenant Services	\$350	\$0	\$350
93100 Water	\$1,162	\$0	\$1,162
93200 Electricity	\$13,162	\$0	\$13,162
93300 Gas	\$2,651	\$0	\$2,651
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0
93600 Sewer	\$339	\$0	\$339

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0
93000 Total Utilities	\$17,314	\$0	\$17,314
94100 Ordinary Maintenance and Operations - Labor	\$34,613	\$0	\$34,613
94200 Ordinary Maintenance and Operations - Materials and Other	\$35,995	\$0	\$35,995
94300 Ordinary Maintenance and Operations Contracts	\$61,813	\$0	\$61,813
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,880	\$0	\$1,880
94000 Total Maintenance	\$134,301	\$0	\$134,301
95100 Protective Services - Labor	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$25,208	\$0	\$25,208
96120 Liability Insurance	\$6,950	\$0	\$6,950
96130 Workmen's Compensation	\$11,463	\$0	\$11,463
96140 All Other Insurance	\$10,069	\$0	\$10,069
96100 Total insurance Premiums	\$53,690	\$0	\$53,690
96200 Other General Expenses	\$0	\$0	\$0
96210 Compensated Absences	\$8,174	\$0	\$8,174
96300 Payments in Lieu of Taxes	\$15,601	\$0	\$15,601
96400 Bad debt - Tenant Rents	\$6,650	\$0	\$6,650
96500 Bad debt - Mortgages	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0
96000 Total Other General Expenses	\$30,425	\$0	\$30,425
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$490,339	\$0	\$490,339
97000 Excess of Operating Revenue over Operating Expenses	\$22,577	\$106,488	\$129,065
97100 Extraordinary Maintenance	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$112,005	\$0	\$112,005
97500 Fraud Losses	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0	\$0	\$0
90000 Total Expenses	\$602,344	\$0	\$602,344

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$50,555	\$0	\$50,555
10020 Operating transfer Out	\$0	-\$50,555	-\$50,555
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$50,555	-\$50,555	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$38,873	\$55,933	\$17,060
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$812,363	\$0	\$812,363
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1440		1440
11210 Number of Unit Months Leased	1375		1375
11270 Excess Cash	\$243,716		\$243,716
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$59,673	\$59,673
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Entity Wide Revenue and Expense Summary</b>			
	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$173,321	\$173,321	\$173,321
70400 Tenant Revenue - Other	\$9,691	\$9,691	\$9,691
70500 Total Tenant Revenue	\$183,012	\$183,012	\$183,012
70600 HUD PHA Operating Grants	\$356,929	\$356,929	\$356,929
70610 Capital Grants	\$55,933	\$55,933	\$55,933
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	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$0	\$0	\$0
71200 Mortgage Interest Income	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0
71500 Other Revenue	\$23,530	\$23,530	\$23,530
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$619,404	\$619,404	\$619,404
91100 Administrative Salaries	\$149,947	\$149,947	\$149,947
91200 Auditing Fees	\$11,105	\$11,105	\$11,105
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$10	\$10	\$10
91500 Employee Benefit contributions - Administrative	\$36,886	\$36,886	\$36,886
91600 Office Expenses	\$34,297	\$34,297	\$34,297
91700 Legal Expense	\$0	\$0	\$0
91800 Travel	\$4,199	\$4,199	\$4,199
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$17,815	\$17,815	\$17,815
91000 Total Operating - Administrative	\$254,259	\$254,259	\$254,259
92000 Asset Management Fee	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0
92400 Tenant Services - Other	\$350	\$350	\$350
92500 Total Tenant Services	\$350	\$350	\$350
93100 Water	\$1,162	\$1,162	\$1,162
93200 Electricity	\$13,162	\$13,162	\$13,162
93300 Gas	\$2,651	\$2,651	\$2,651
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0
93600 Sewer	\$339	\$339	\$339

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Entity Wide Revenue and Expense Summary</b>			
	Project Total	Subtotal	Total
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0
93000 Total Utilities	\$17,314	\$17,314	\$17,314
94100 Ordinary Maintenance and Operations - Labor	\$34,613	\$34,613	\$34,613
94200 Ordinary Maintenance and Operations - Materials and Other	\$35,995	\$35,995	\$35,995
94300 Ordinary Maintenance and Operations Contracts	\$61,813	\$61,813	\$61,813
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,880	\$1,880	\$1,880
94000 Total Maintenance	\$134,301	\$134,301	\$134,301
95100 Protective Services - Labor	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$25,208	\$25,208	\$25,208
96120 Liability Insurance	\$6,950	\$6,950	\$6,950
96130 Workmen's Compensation	\$11,463	\$11,463	\$11,463
96140 All Other Insurance	\$10,069	\$10,069	\$10,069
96100 Total insurance Premiums	\$53,690	\$53,690	\$53,690
96200 Other General Expenses	\$0	\$0	\$0
96210 Compensated Absences	\$8,174	\$8,174	\$8,174
96300 Payments in Lieu of Taxes	\$15,601	\$15,601	\$15,601
96400 Bad debt - Tenant Rents	\$6,650	\$6,650	\$6,650
96500 Bad debt - Mortgages	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0
96000 Total Other General Expenses	\$30,425	\$30,425	\$30,425
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$490,339	\$490,339	\$490,339
97000 Excess of Operating Revenue over Operating Expenses	\$129,065	\$129,065	\$129,065
97100 Extraordinary Maintenance	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$112,005	\$112,005	\$112,005
97500 Fraud Losses	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0	\$0	\$0
90000 Total Expenses	\$602,344	\$602,344	\$602,344

HOUSING AUTHORITY OF HAYNESVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Entity Wide Revenue and Expense Summary</b>			
	Project Total	Subtotal	Total
10010 Operating Transfer In	\$50,555	\$50,555	\$50,555
10020 Operating transfer Out	-\$50,555	-\$50,555	-\$50,555
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$17,060	\$17,060	\$17,060
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$812,363	\$812,363	\$812,363
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1440	1440	1440
11210 Number of Unit Months Leased	1375	1375	1375
11270 Excess Cash	\$243,716	\$243,716	\$243,716
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$59,673	\$59,673	\$59,673
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