

**HOUSING AUTHORITY OF THE
TOWN OF FARMERVILLE
Farmerville, Louisiana**

**MANAGEMENT'S DISCUSSION & ANALYSIS
AND AUDITED FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8
FINANCIAL STATEMENTS	
Statement of Net Position	9
Statement of Revenues, Expenses, and Changes in Net Position	10
Statement of Cash Flows	11
Notes to Financial Statements	12-20
SUPPLEMENTAL INFORMATION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	21-22
Status of Prior Audit Findings	23
Schedule of Findings and Questioned Costs	23
Financial Data Submission Summary – Net Position Accounts	24-25
Financial Data Submission Summary – Statement of Revenues, Expenses and Changes in Net Position Accounts	26-28
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	29
SPECIAL REPORTS	
Statement and Certification of Modernization Costs PHASE LA48P052501-18	30
Statement and Certification of Actual Modernization Costs PHASE LA48P052501-19	31

**HOUSING AUTHORITY OF THE
TOWN OF FARMERVILLE
Farmerville, Louisiana**

**REPORT ON EXAMINATION
OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the Town of Farmerville
Farmerville, Louisiana 71723

HUD – New Orleans Office
501 Magazine 9th Floor
New Orleans, Louisiana 70130

Report on Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the Town of Farmerville as of and for the year ended September 30, 2021, and the related notes to the 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 of material misstatement.

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

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

Opinion

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the Town of Farmerville, as of September 30, 2021, and the respective changes in financial position and, where appropriate, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, as listed in the table of contents, should be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 procedure did not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Housing Authority of the Town of Farmerville. The accompanying Financial Data Schedules and Special Reports required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

This 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Rector, Reeder & Lofton, P.C.

Rector, Reeder & Lofton, P.C.
Certified Public Accountants

Loganville, Georgia
December 21, 2021

**HOUSING AUTHORITY OF THE
TOWN OF FARMERVILLE
Farmerville, Louisiana**

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE MANAGEMENT'S DISCUSSION & ANALYSIS FISCAL YEAR ENDED SEPTEMBER 30, 2021

This section of the Authority's annual financial report presents Management's analysis of the Authority's financial performance during the Fiscal Year Ended September 30, 2021.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS

The Housing Authority of the Town of Farmerville had a good year as illustrated by the outcome of its fiscal year operations. Total Net Position increased by \$25,179 or 5.04%. The financial indicators continue to maintain an above average score as established by the Real Estate Assessment Center (REAC). Based on management's calculation of the financial score, the Authority should receive a designation of "high performer" under the Financial Assessment Sub System (FASS).

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Position (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

The current year's revenues, expenses, and changes in net position are accounted for in the Statement of Revenues, Expenses and Change in Net Position. This statement measures the success of the Authority's operations over the past fiscal year.

The purpose of the Statement of Cash Flows is to provide information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations.

FINANCIAL ANALYSIS OF THE AUTHORITY

One question frequently asked about an Authority's finances is "Did the Authority's operations and financial position improve or deteriorate over the previous fiscal year?" The Statement of Net Position and the Statement of Revenues, Expenses and Change in Net Position report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority's Statement of Net Position is presented in Table I, which follows.

**Housing Authority of the Town of Farmerville
Comparative Statement of Net Position
TABLE I**

	2021	2020	Total Change	% Change
Current Assets	\$ 226,747	\$ 167,419	\$ 59,328	35.44%
Capital Assets	348,440	388,552	(40,112)	-10.32%
Total Assets	\$ 575,187	\$ 555,971	\$ 19,216	3.46%
Current Liabilities	\$ 50,586	\$ 56,549	\$ (5,963)	-10.54%
Noncurrent Liabilities	-	-	-	0.00%
Total Liabilities	50,586	56,549	(5,963)	-10.54%
Investment in Capital Assets	348,440	388,552	(40,112)	-10.32%
Unrestricted	176,161	110,870	65,291	58.89%
Total Net Position	524,601	499,422	25,179	5.04%
Total Liabilities & Net Position	\$ 575,187	\$ 555,971	\$ 19,216	3.46%

Total assets increased by \$19,216 or 3.46%. Current assets increased by \$59,328 or 35.44% due primarily to an increase in cash and cash equivalents of \$76,122 or 58.55%, as shown on the Statement of Cash Flows. Prepaid expenses also increased by \$2,377 or 17.78% due to the timing of payments. This was offset by a decrease in accounts receivable of \$19,171, due to a decrease in amounts due from HUD. Capital assets decreased by \$40,112 or 10.32%, which was due to depreciation expense exceeding capital additions during the year.

Total liabilities decreased by \$5,963 or 10.54% due to the timing of payments at year-end.

As illustrated in the above Comparative Statement of Net Position, the overall Net Position of the Authority increased by \$25,179 or 5.04%.

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses and Changes in Net Position breaks down our revenues and expenses further.

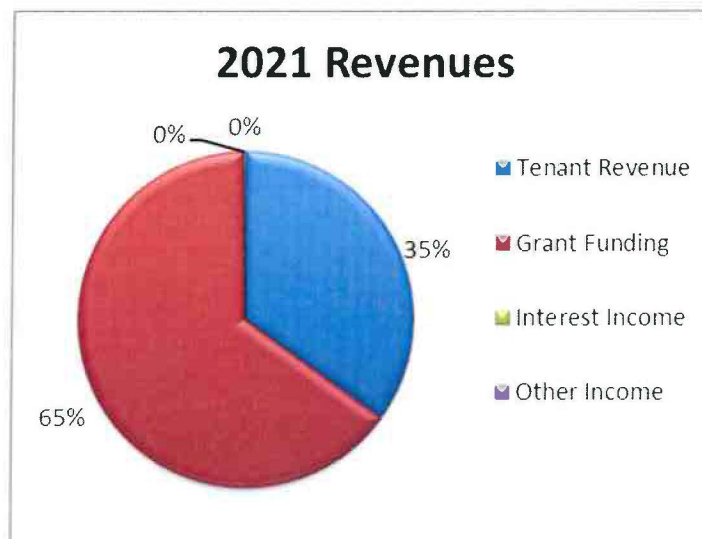
Table II, which follows, provides a comparative statement of these changes in Net Position.

Housing Authority of the Town of Farmerville
Comparative Statement of Revenues, Expenses and Changes in Net Position
TABLE II

	2021	2020	Total Change	% Change
Tenant Revenue	\$ 89,071	\$ 88,630	\$ 441	0.50%
Grant Funding	165,229	183,092	(17,863)	-9.76%
Interest Income	123	142	(19)	-13.38%
Other Income	426	843	(417)	-49.47%
Total Revenue	254,849	272,707	(17,858)	-6.55%
Administration	80,114	66,463	13,651	20.54%
Tenant Services	3,120	4,650	(1,530)	-32.90%
Utilities	2,758	2,806	(48)	-1.71%
Maintenance	52,055	71,025	(18,970)	-26.71%
General	44,458	48,682	(4,224)	-8.68%
Depreciation	47,165	50,247	(3,082)	-6.13%
Total Expenses	229,670	243,873	(14,203)	-5.82%
Change in Net Position	25,179	28,834	(3,655)	-12.68%
Beginning Net Position	499,422	470,588	28,834	6.13%
Ending Net Position	\$ 524,601	\$ 499,422	\$ 25,179	5.04%

REVENUES

In reviewing the Statement of Revenues, Expenses and Changes in Net Position, you will find that 65% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development. The Authority receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges for 35% of total revenue. Other Revenue and interest income comprise less than one percent of total revenue. Compared to the Fiscal Year Ended September 30, 2020, revenues showed an overall decrease of \$17,858 or 6.55%.



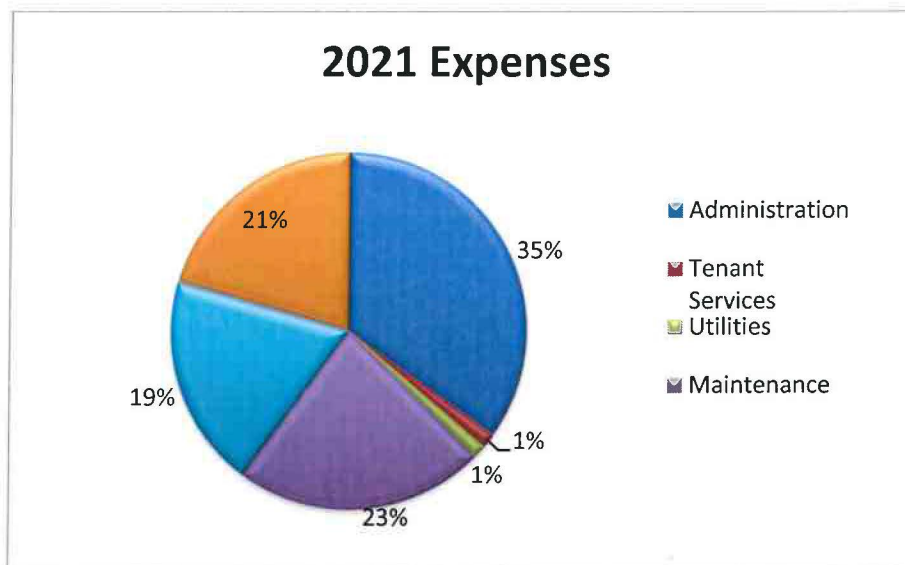
Tenant Revenue - Tenant Revenue increased slightly by \$441 or 0.50%.

Program Grants/Subsidies - The Authority experienced a decrease in grant funding of \$17,863 or 9.76%. This was due to fewer Capital Funds drawn during the year.

Interest Income and Other Income - Interest income decreased by \$19 or 13.38% and other income decreased by \$417 or 49.47%.

EXPENSES

The Housing Authority of the Town of Farmerville experienced a decrease in expenses for the current year from \$243,873 to \$229,670, a decrease of \$14,203 or 5.82%.



The highlights of changes in expenses for the current year are as follows:

Administrative - Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2020, administrative costs increased by \$13,651 or 20.54% due to increases in office and sundry expenses.

Tenant Services – Due to the outbreak of COVID-19 during fiscal year 2020, the Authority received money from the CARES Act which helps to offset the expenses related to increased supplies, activities and equipment needed to help deal with the changes in the environment caused by the pandemic. During FY2021, tenant services decreased by \$1,530 or 32.90% due to decreased CARES Act funds used.

Utilities - The total utilities expense for the Authority decreased by \$48 or 1.71%.

Maintenance - Maintenance costs are all costs incurred by the Authority to maintain its Public Housing units in a safe and sanitary manner. Costs include personnel costs, materials used to

maintain the units, contracts for waste management and telephone/radio service, etc. Maintenance expenses for the Authority decreased from \$71,025 to \$52,055, or 26.71%. The decrease was mainly due to decreases in contract costs of \$31,846 or 64.99%.

General Expenses - General expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, lead based paint insurance, etc.), collection losses, and interest expense. General expenses for the Authority decreased by \$4,224 or 8.68%.

Depreciation - Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items is recorded as depreciation. Depreciation expense for the current year is \$47,165, a decrease of \$3,082 or 6.13%.

CAPITAL ASSETS

As of September 30, 2021, the Authority's net capital assets decreased by \$40,112 or 10.32% to \$348,440. The following illustrates the Capital Asset values for 2020 and 2021.

**Housing Authority of the Town of Farmerville
Comparative Statement of Capital Assets
TABLE III**

	2021	2020	Total Change	% Change
Land	\$ 6,430	\$ 6,430	\$ -	0.00%
Buildings & improvements	1,818,037	1,810,984	7,053	0.39%
Equipment	81,645	81,645	-	0.00%
Construction in Progress	-	-	-	0.00%
	<u>1,906,112</u>	<u>1,899,059</u>	<u>7,053</u>	<u>0.37%</u>
Accumulated Depreciation	<u>(1,557,672)</u>	<u>(1,510,507)</u>	<u>(47,165)</u>	<u>3.12%</u>
Total Capital Assets	<u>\$ 348,440</u>	<u>\$ 388,552</u>	<u>\$ (40,112)</u>	<u>-10.32%</u>

Major changes in the capital asset accounts are summarized below:

Balance at October 1, 2020	\$ 388,552
Current period additions – capital funds	7,053
Current period additions – operations	0
Current period depreciation expense	<u>(47,165)</u>
Balance at September 30, 2021	<u>\$ 348,440</u>

DEBT OBLIGATIONS

As of September 30, 2021, the Authority had no outstanding debt.

ECONOMIC FACTORS

Several significant economic factors affecting the Housing Authority are as follows:

- Congressional funding of the Department of Housing and Urban Development, including an additional “subsidy allocation adjustments.”
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- Health care and other insurance costs are expected to increase dramatically over the next several years especially due to the Affordable Care Act.
- The spread of a novel strain of coronavirus (COVID-19) in 2020 has caused significant volatility in the U.S. Markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the financial performance will depend on certain developments, including duration and spread of the outbreak, and the impact on residents, employees and vendors, all of which are uncertain and cannot be determined at this time.
- Additionally, the current inflation rate in the United States is the highest it has been in over forty years. This is causing prices to skyrocket and is making it more expensive for the Housing Authority to operate and may make it more difficult for tenants to pay their rent. There is no timeframe on when relief is expected from these historic price increases, and it has yet to be determined if governmental assistance will be increased in the next calendar year.

CONCLUSIONS

Overall, the Housing Authority of the Town of Farmerville had a good year financially. Its management is committed to staying abreast of regulations and appropriations as well as maintaining an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

This financial report is designed to provide our residents, the citizens of Farmerville, Louisiana, all federal and state regulatory bodies, and any creditors with a general overview of the Authority’s finances. If you have any questions regarding these financial statements or supplemental information, you may contact the Executive Director or Assistant Executive Director at (318) 255-3644, or address your correspondence to: Housing Authority of the Town of Farmerville, P.O. Box 446, Farmerville, LA 71241.

**HOUSING AUTHORITY OF THE
TOWN OF FARMERVILLE
Farmerville, Louisiana**

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

ASSETS

Current Assets

Cash & cash equivalents - unrestricted	\$ 199,923
Cash & cash equivalents - restricted	6,210
Accounts receivable, net	4,869
Prepaid insurance & inventories	<u>15,745</u>
 Total Current Assets	 <u>226,747</u>

Capital Assets

Land	6,430
Buildings & improvements	1,818,037
Furniture & equipment	81,645
Less: Accumulated depreciation	<u>(1,557,672)</u>
 Total Capital Assets	 <u>348,440</u>

TOTAL ASSETS

\$ 575,187

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

LIABILITIES & NET POSITION

Current Liabilities

Accounts payable	\$	36,053
Tenant security deposits		6,210
Unearned revenue		<u>8,323</u>
 Total Current Liabilities		 <u>50,586</u>
 TOTAL LIABILITIES		 <u>50,586</u>

NET POSITION

Investment in Capital Assets		348,440
Unrestricted		<u>176,161</u>
 TOTAL NET POSITION		 <u>524,601</u>
 TOTAL LIABILITIES & NET POSITION	 \$	 <u><u>575,187</u></u>

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Operating Revenues</u>	
Dwelling rent	\$ 89,071
Governmental grants & subsidy	158,176
Other income	<u>426</u>
 Total Operating Revenues	 <u>247,673</u>
 <u>Operating Expenses</u>	
Administration	80,114
Resident services	3,120
Utilities	2,758
Maintenance & operations	52,055
General expense	44,458
Depreciation	<u>47,165</u>
 Total Operating Expenses	 <u>229,670</u>
 NET INCOME/(LOSS) FROM OPERATIONS	 <u>18,003</u>
 <u>Nonoperating Revenue/(Expenses)</u>	
Investment income	<u>123</u>
 Net Nonoperating Revenue/(Expenses)	 <u>123</u>
 Net Income/(Loss) before capital grants	 18,126
Capital Grants	<u>7,053</u>
 Net Increase/(Decrease) in Net Position	 25,179
Total Net Position - beginning	<u>499,422</u>
Total Net Position - ending	<u>\$ 524,601</u>

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

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from customers and users	\$ 89,497
Governmental grants & subsidy - operations	158,176
Payments to suppliers	<u>(171,674)</u>
 NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	 <u>75,999</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest received	<u>123</u>
 NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	 <u>123</u>
 <u>CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES</u>	
Additions to capital assets - capital grants	(7,053)
Capital grant funds received	7,053
Acquisition of capital assets - operations	<u>-</u>
 NET CASH PROVIDED/(USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	 <u>-</u>
 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	 76,122
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>130,011</u>
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	 <u>\$ 206,133</u>
 <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Net Operating Income/(Loss)	\$ 18,003
Adjustments to reconcile net loss to	
net cash provided by operating activities:	
Depreciation	47,165
Decrease (Increase) in accounts receivable, net	19,171
Decrease (Increase) in prepaid expenses/inventories	(2,377)
Increase (Decrease) in accounts payable	(15,234)
Increase (Decrease) in security/trust deposits	948
Increase (Decrease) in unearned revenue	<u>8,323</u>
 NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	 <u>\$ 75,999</u>

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

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:

1. Introduction:

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The following summary of the more significant accounting policies is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

2. Organization:

The Housing Authority of the Town of Farmerville ("The Authority") is a public body and a body corporate and politic organized under the laws of the State of Louisiana for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the Mayor appoints a Governing Board for but the Board designates its own management. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

3. Reporting Entity:

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 and Number 61 of the Government Accounting Standards Board, the Financial Reporting Entity*.

Financial Accountability - The Authority is responsible for its debts, does not impose a financial burden on the Town of Farmerville and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Appointment of a Voting Majority - The Authority is governed by a Board of Commissioners appointed by the CEO of Town of Farmerville and has governance responsibilities over all activities related to all housing activities within Town of Farmerville. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the Town; i.e., they can be removed only for cause. The Authority's Board elects its own chairperson.

Imposition of Will - The Town has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

3. Reporting Entity: (Cont'd)

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units neither of the Authority nor for the Authority to be included in Town of Farmerville financial reports therefore, the Authority reports independently. During the review of the Authority's budgets, annual contributions contract, minutes of the Board of Commissioner's meetings, cash receipts and cash disbursements for the reporting period disclosed that the Authority operated the following programs under Annual Contributions Contracts:

1. Public and Indian Housing – The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income families and the elderly.
2. Public Housing Capital Fund Program – The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program.

4. Basis of Presentation, Basis of Accounting and Measurement Focus:

Basis of Accounting - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on its statement of net position.

Proprietary fund equity is segregated into three broad components: Net Investment in Capital Assets, Restricted and Unrestricted. The Authority uses a proprietary, enterprise fund. This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

5. Revenues and Expenses:

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operating activities, including rental related income, interest income and other sources of revenues, are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

6. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. The Authority does not utilize encumbrance accounting.

7. Budgets:

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

8. Inventories:

Inventories are recorded at average cost. The consumption method is used to account for inventories. Under the consumption method, inventories are charged to expense when consumed.

9. Capital Assets and Depreciation:

Capital assets are stated at historical cost. Donated capital assets are stated at their fair market value on the date donated. This includes site acquisition and improvement, structures and equipment. All infrastructure assets were capitalized at the conclusion of development then dedicated to the Town of Farmerville for maintenance and repairs. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Position. The current adopted capitalization threshold is \$1,500 for both real property and equipment. The Authority uses the straight-line method for depreciation.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings & improvements	15-30 years
Furniture, fixtures & equipment	3-10 years
Vehicles	5- 7 years
Specialized use equipment	2-10 years

10. Collection Losses:

Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

11. Insurance:

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

12. Cash and Investments:

1. The Authority cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments are stated at fair value, except for U. S. Treasury Bills, which are reported at amortized cost. The Authority reports all money market investments having a remaining maturity at time of purchase of one year or less at amortized cost. Investment securities are normally held to mature at par value and adjustments are made to the investment portfolio to reflect increases/ (decreases) in gains made.

13. Compensated Absences:

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No.16, **Accounting for Compensated Absences**, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Because the Housing Authority is managed by the Housing Authority of the Town of Ruston, there are no employees and consequently no amounts recorded as a liability or an expense.

14. Operating Revenue:

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 fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position below the nonoperating revenue and expense.

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

15. The terms of the Board are as follows:

Charles Sawyer	09/30/2024
Otis Wright	09/30/2025
Linda Austin	09/30/2022
Sharon Watley	09/30/2023

In addition to the above Commissioners, the Administrator of the Housing Authority is Woody Whittington, who serves on the Board as Secretary and is the Executive Director. Based upon the above criteria all the operations of the PHA are included in these financial statements and there are no operations or component units that have been excluded from this report.

16. New Accounting Pronouncements:

During FY2021, the Authority did not implement any new accounting pronouncements.

NOTE B - CASH & CASH EQUIVALENTS:

All the deposits of the Housing Authority of the Town of Farmerville are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. The Housing Authority of the Town of Farmerville has no policy regarding custodial credit risk for deposits.

At September 30, 2021, the Authority's cash deposits had a carrying amount of \$206,133 and bank balances of \$228,881. Of the bank balances held in one financial institution, the full amount was covered by federal depository insurance.

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 12 months or less.

Credit risk - The Authority has no policy regarding credit risk.

Custodial credit risk - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no policy on custodial credit risk.

Concentration of credit risk - The Authority places no limit on the amount that it may invest in certificates of deposits. The Authority has no policy regarding credit risk.

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE B - CASH & CASH EQUIVALENTS: (Cont'd)

Checking accounts	\$ 165,779
Certificate of deposit – less than 90 days	<u>40,354</u>
	<u>\$ 206,133</u>

Of the above amount, \$6,210 is considered restricted for tenant security deposits.

NOTE C - ACCOUNTS RECEIVABLE:

Accounts receivable at September 30, 2021, consisted of the following:

Tenants (net of allowance for doubtful accounts of \$89)	\$ 939
Other Receivables	<u>3,930</u>
	<u>\$ 4,869</u>

NOTE D - PREPAID EXPENSES:

Prepaid expenses consisted of the following at September 30, 2021:

Prepaid insurance	\$ <u>15,745</u>
-------------------	------------------

NOTE E - CAPITAL ASSETS:

The following is a summary of changes in the net capital assets during the fiscal year ended September 30, 2021:

	<u>Beginning at</u> <u>10/1/2020</u>	<u>Increases</u>	<u>Transfers/ Retirements</u>	<u>Depreciation</u>	<u>Balance at</u> <u>9/30/2021</u>
Enterprise Activities					
Capital assets not being depreciated:					
Land	\$ 6,430	\$ -	\$ -	\$ -	\$ 6,430
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>6,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,430</u>
Buildings & improvements	1,810,984	7,053	-	-	1,818,037
Furniture & equipment	<u>81,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,645</u>
Total capital assets being depreciated	<u>1,892,629</u>	<u>7,053</u>	<u>-</u>	<u>-</u>	<u>1,899,682</u>
Less accumulated depreciation for:					
Buildings & improvements	(1,459,610)	-	-	(40,152)	(1,499,762)
Furniture & equipment	<u>(50,897)</u>	<u>-</u>	<u>-</u>	<u>(7,013)</u>	<u>(57,910)</u>
Total accumulated depreciation	<u>(1,510,507)</u>	<u>-</u>	<u>-</u>	<u>(47,165)</u>	<u>(1,557,672)</u>
Total capital assets being depreciated	<u>382,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,010</u>
Enterprise activity capital assets, net	<u>\$ 388,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 348,440</u>

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE F - ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES:

Accounts payable at September 30, 2021, consisted of the following:

Payment in lieu of taxes	\$ 8,633
Accounts payable – vendors	3,044
Accounts payable – Housing Authority of the Town of Ruston	24,376
Unearned revenue – prepaid rent	8,323
Tenant security deposits	<u>6,210</u>
	<u>\$ 50,586</u>

NOTE G - COMMITMENTS & CONTINGENCIES:

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims liabilities are reported when it is probably that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2021, there were no liabilities to be reported.

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries. There were no examinations conducted during the current year.

Grants and contracts:

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of September 30, 2021.

Capital fund:

The Authority receives capital funding each year for ongoing capital improvements and repairs and maintenance.

NOTE H - RELATED PARTY TRANSACTIONS:

There were no related party transactions to be reported for the fiscal year ended September 30, 2021. The Housing Authority of the Town of Farmerville is managed by the Housing Authority of Town of Ruston, which is considered to be an affiliate, but does not qualify as a component unit or as a related party. The Housing Authority reimburses the Housing Authority of Town of Ruston, for all applicable direct and indirect costs of operations.

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE I - PENSION PLAN:

The Authority does not have full-time employees and therefore does not provide a defined pension plan because the employees that provide work for the Housing Authority of the Town of Farmerville work for Housing Authority of the Town of Ruston and the pension plan is provided by Housing Authority of the Town of Ruston.

NOTE J - RISK MANAGEMENT:

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, causality, employee dishonesty and public official's liability forms are used to cover the respective perils. Commercial carriers insure all common perils such as business auto, computer and other miscellaneous policies.

NOTE K - ECONOMIC DEPENDENCY:

The PHA Owned Housing is economically dependent on annual contributions grants from the Federal government. The program operates at a loss prior to receiving the contributions and grants.

NOTE L - IMPAIRMENT OF CAPITAL ASSETS:

In accordance with financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. During the fiscal year ended September 30, 2021, the Housing Authority of the Town of Farmerville experienced no impairments during the year.

NOTE M - SUPPLEMENTAL INFORMATION:

The supplemental information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

NOTE N - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through December 21, 2021, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
(Continued)

NOTE N - SUBSEQUENT EVENTS: (Cont'd)

The spread of a novel strain of coronavirus (COVID-19) in 2020 has caused significant volatility in the U.S. Markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the financial performance will depend on certain developments, including duration and spread of the outbreak, and the impact on residents, employees and vendors, all of which are uncertain and cannot be determined at this time.

Additionally, the current inflation rate in the United States is the highest it has been in forty years. This is causing prices to skyrocket and is making it more expensive for the Housing Authority to operate and may make it more difficult for tenants to pay their rent. There is no timeframe on when relief is expected from these historic price increases, and it has yet to be determined if governmental assistance will be increased in the next calendar year.

**HOUSING AUTHORITY OF THE
TOWN OF FARMERVILLE
Farmerville, Louisiana**

SUPPLEMENTAL INFORMATION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



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

Board of Commissioners
Housing Authority of the Town of Farmerville
Farmerville, Louisiana 71723

HUD – New Orleans Office
501 Magazine 9th Floor
New Orleans, Louisiana 70130

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the Town of Farmerville, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Farmerville's basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control Over Financial Reporting

Management of the Housing Authority of the Town of Farmerville is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Farmerville'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 financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rector, Reeder & Lofton, P.C.
Rector, Reeder & Lofton, P.C.
Certified Public Accountants

Loganville, Georgia
December 21, 2021

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended September 30, 2020, contained no formal audit findings.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results:

Financial Statements

Type of report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weakness(es) identified?	N/A
Significant deficiency(ies) identified not considered to be material weaknesses?	N/A
Type of report issued on the compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported under 2 CFR §200.516(a)?	N/A
Identification of major programs:	NONE

Section II – Financial Statement Findings

Findings related to financial statements in accordance with GAGAS:

NONE REPORTED

Section III – Federal Award Findings and Questioned Costs

Findings and questioned costs for Federal Awards:

N/A

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
SEPTEMBER 30, 2021

FDS Line#	Account Description	Public and Indian Housing 14.850	Public Housing CARES Act Funding 14.PHC	Elimination	TOTAL
ASSETS:					
CURRENT ASSETS:					
Cash:					
111	Cash - unrestricted	\$ 199,923	\$ 0	\$ 0	\$ 199,923
112	Cash - restricted - modernization & development	0	0	0	0
113	Cash - other restricted	0	0	0	0
114	Cash - tenant security deposits	6,210	0	0	6,210
115	Cash - restricted for payment of current liabilities	0	0	0	0
100	Total Cash	<u>206,133</u>	<u>0</u>	<u>0</u>	<u>206,133</u>
Accounts and notes receivables:					
121	Accounts receivable - PHA projects	0	0	0	0
122	Accounts receivable - HUD other projects	0	0	0	0
124	Accounts receivable - other government	0	0	0	0
125	Accounts receivable - miscellaneous	3,930	0	0	3,930
126	Accounts receivable - tenants - dwelling rents	1,028	0	0	1,028
126.1	Allowance for doubtful accounts - tenants	(89)	0	0	(89)
126.2	Allowance for doubtful accounts - other	0	0	0	0
127	Notes receivable - current	0	0	0	0
128	Fraud recovery	0	0	0	0
128.1	Allowance for doubtful accounts - fraud	0	0	0	0
129	Accrued interest receivable	0	0	0	0
120	Total receivables, net of allowances for uncollectibles	<u>4,869</u>	<u>0</u>	<u>0</u>	<u>4,869</u>
Current investments:					
131	Investments - unrestricted	0	0	0	0
132	Investments - restricted	0	0	0	0
135	Investments - restricted for payment of current liability	0	0	0	0
142	Prepaid expenses and other assets	15,745	0	0	15,745
143	Inventory - materials	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0
144	Interprogram due from	0	0	0	0
145	Assets held for sale	0	0	0	0
150	TOTAL CURRENT ASSETS	<u>226,747</u>	<u>0</u>	<u>0</u>	<u>226,747</u>
NONCURRENT ASSETS:					
Capital Assets					
161	Land	6,430	0	0	6,430
162	Buildings	1,577,106	0	0	1,577,106
163	Furniture, equipment & mach. - dwellings	27,475	0	0	27,475
164	Furniture, equipment & mach. - admin.	54,170	0	0	54,170
165	Leasehold improvements	240,931	0	0	240,931
166	Accumulated depreciation	(1,557,672)	0	0	(1,557,672)
167	Construction in progress	0	0	0	0
168	Infrastructure	0	0	0	0
160	Total capital assets, net of accumulated depreciation	<u>348,440</u>	<u>0</u>	<u>0</u>	<u>348,440</u>
171	Notes receivable - noncurrent	0	0	0	0
172	Notes receivable - noncurrent past due	0	0	0	0
173	Grants receivable - noncurrent	0	0	0	0
174	Other assets	0	0	0	0
176	Investment in joint ventures	0	0	0	0
180	TOTAL NONCURRENT ASSETS	<u>348,440</u>	<u>0</u>	<u>0</u>	<u>348,440</u>
200	DEFERRED OUTFLOW OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 575,187</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 575,187</u>

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
SEPTEMBER 30, 2021

FDS Line#	Account Description	Public and Indian Housing 14.850	Public Housing CARES Act Funding 14.PHC	Elimination	TOTAL
LIABILITIES AND NET POSITION:					
LIABILITIES:					
CURRENT LIABILITIES					
311	Bank overdraft	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable <= 90 days	3,044	0	0	3,044
313	Accounts payable > 90 days past due	0	0	0	0
321	Accrued wage/payroll taxes payable	0	0	0	0
322	Accrued compensated absences - current portion	0	0	0	0
324	Accrued contingency liability	0	0	0	0
325	Accrued interest payable	0	0	0	0
331	Accounts payable - HUD PHA programs	0	0	0	0
332	Accounts payable - PHA projects	0	0	0	0
333	Accounts payable - other gov.	33,009	0	0	33,009
341	Tenant security deposits	6,210	0	0	6,210
342	Unearned revenue	8,323	0	0	8,323
343	Current portion of long-term debt - capital	0	0	0	0
344	Current portion of long-term debt - operating	0	0	0	0
345	Other current liabilities	0	0	0	0
346	Accrued liabilities - other	0	0	0	0
347	Interprogram (due to)	0	0	0	0
348	Loan liability - current	0	0	0	0
	TOTAL CURRENT LIABILITIES	<u>50,586</u>	<u>0</u>	<u>0</u>	<u>50,586</u>
NONCURRENT LIABILITIES:					
351	L/T Debt, Net of Current - Capital Projects	0	0	0	0
352	L/T Debt, Net of Current - Operating Borrowings	0	0	0	0
353	Non-current liabilities - other	0	0	0	0
354	Accrued Compensated Absences - Non-Current	0	0	0	0
355	Loan liabilities - noncurrent	0	0	0	0
356	FASB 5 liabilities	0	0	0	0
357	Accrued pension and OPEB liabilities	0	0	0	0
350	TOTAL NONCURRENT LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
300	TOTAL LIABILITIES	<u>50,586</u>	<u>0</u>	<u>0</u>	<u>50,586</u>
400	DEFERRED INFLOW OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET POSITION:					
508.4	Investment in Capital Assets	348,440	0	0	348,440
511.4	Restricted	0	0	0	0
512.4	Unrestricted	176,161	0	0	176,161
513	TOTAL NET POSITION	<u>524,601</u>	<u>0</u>	<u>0</u>	<u>524,601</u>
600	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 575,187</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 575,187</u>

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

FDS Line#	Account Description	Public and Indian Housing 14.850	Public Housing Indian Housing 14.872	Public Housing CARES Act Funding 14.PHC	TOTAL
REVENUES:					
70300	Net tenant rental revenue	\$ 84,236	\$ 0	\$ 0	\$ 84,236
70400	Tenant revenue - other	4,835	0	0	4,835
70500	Total tenant revenue	89,071	0	0	89,071
70600	HUD PHA grants	125,778	28,238	4,160	158,176
70610	HUD Capital grants	0	7,053	0	7,053
70710	Management fee	0	0	0	0
70720	Asset management fee	0	0	0	0
70730	Book keeping fee	0	0	0	0
70740	Front line services fee	0	0	0	0
70750	Other fees	0	0	0	0
70700	Total fee revenue	0	0	0	0
70800	Other government grants	0	0	0	0
71100	Investment income - unrestricted	123	0	0	123
71200	Mortgage interest income	0	0	0	0
71300	Proceeds from disposition of assets held for sale	0	0	0	0
71400	Fraud recovery	0	0	0	0
71500	Other revenue	426	0	0	426
71600	Gain/Loss on Sale of Fixed Assets	0	0	0	0
72000	Investment income - restricted	0	0	0	0
70000	TOTAL REVENUES	\$ 215,398	\$ 35,291	\$ 4,160	\$ 254,849
EXPENSES:					
Administrative					
91100	Administrative salaries	\$ 0	\$ 0	\$ 0	\$ 0
91200	Auditing fees	7,650	0	0	7,650
91300	Outside management fees	0	0	0	0
91310	Bookkeeping fee	0	0	0	0
91400	Advertising & marketing	330	0	0	330
91500	Employee benefit contributions - administrative	0	0	0	0
91600	Office expenses	54,239	0	0	54,239
91700	Legal expense	100	0	0	100
91800	Travel	0	0	0	0
91810	Allocated overhead	0	0	0	0
91900	Other operating - administrative	17,795	0	0	17,795
91000	Total Administrative Expense	80,114	0	0	80,114
92000	Asset management fee	0	0	0	0
Resident Services					
92100	Resident salaries	0	0	0	0
92200	Relocation costs	0	0	0	0
92300	Employee benefit contributions - resident services	0	0	0	0
92400	Resident services - other	0	0	3,120	3,120
92500	Total Resident Services Expense	0	0	3,120	3,120
Utilities					
93100	Water	787	0	0	787
93200	Electricity	1,595	0	0	1,595
93300	Gas	376	0	0	376
93400	Fuel	0	0	0	0
93500	Labor	0	0	0	0
93600	Sewer	0	0	0	0
93700	Employee benefit contributions - utilities	0	0	0	0
93800	Other utilities expense	0	0	0	0
	Total Utilities Expense	2,758	0	0	2,758

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FDS Line#	Account Description	Public and Indian Housing 14.850	Public Housing Indian Housing 14.872	Public Housing CARES Act Funding 14.PHC	TOTAL
Ordinary Maintenance & Operation					
94100	Ordinary maint. and oper. - labor	0	0	0	0
94200	Ordinary maint. and oper. - materials & others	33,863	0	1,040	34,903
94300	Contract costs	17,152	0	0	17,152
94300-010	Contract costs - garbage removal	0	0	0	0
94300-020	Contract costs - heating and cooling	0	0	0	0
94300-030	Contract costs - snow removal	0	0	0	0
94300-040	Contract costs - elevator maintenance	0	0	0	0
94300-050	Contract costs - landscape and grounds	3,000	0	0	3,000
94300-060	Contract costs - unit turnaround	0	0	0	0
94300-070	Contract costs - electrical	0	0	0	0
94300-080	Contract costs - plumbing	5,250	0	0	5,250
94300-090	Contract costs - extermination	990	0	0	990
94300-100	Contract costs - janitorial	0	0	0	0
94300-110	Contract costs - routine maintenance	0	0	0	0
94300-120	Contract costs - miscellaneous	7,912	0	0	7,912
94500	Ordinary maint. and oper. - benefits	0	0	0	0
94000	Total Ordinary Maintenance & Operation	51,015	0	1,040	52,055
Protective services					
95100	Protective services - labor	0	0	0	0
95200	Protective services - other contract costs	0	0	0	0
95300	Protective services - other	0	0	0	0
95500	Employee benefit contributions- protective services	0	0	0	0
95000	Total Protective Services	0	0	0	0
Insurance Premiums					
96110	Property insurance	20,253	0	0	20,253
96120	Liability insurance	4,432	0	0	4,432
96130	Workmen's compensation	1,358	0	0	1,358
96140	All other insurance	3,709	0	0	3,709
96100	Total Insurance Premiums	29,752	0	0	29,752
General Expenses					
96200	Other general expenses	0	0	0	0
96210	Compensated absences	0	0	0	0
96300	Payments in lieu of taxes	8,628	0	0	8,628
96400	Bad debt - tenant rents	0	0	0	0
96500	Bad debt - mortgages	0	0	0	0
96600	Bad debt - other	6,078	0	0	6,078
96800	Severance expense	0	0	0	0
96000	Total General Expenses	14,706	0	0	14,706
Financial Expenses					
96710	Interest of mortgage (or bonds) payable	0	0	0	0
96720	Interest on notes payable (short & long term)	0	0	0	0
96730	Amortization of bond issue costs	0	0	0	0
96700	Total Financial Expenses	0	0	0	0
96900	TOTAL OPERATING EXPENSE	178,345	0	4,160	182,505
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSE	37,053	35,291	0	72,344
Other Expenses					
97100	Extraordinary maintenance	0	0	0	0
97200	Casualty losses - non-capitalized	0	0	0	0
97300	Housing assistance payments	0	0	0	0
97350	HAP portability-in	0	0	0	0
97400	Depreciation expense	47,165	0	0	47,165
97500	Fraud losses	0	0	0	0
97600	Capital outlays - governmental funds	0	0	0	0
97700	Debt principal payment - governmental funds	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0
	Total Other Expenses	47,165	0	0	47,165
90000	TOTAL EXPENSES	\$ 225,510	\$ 0	\$ 4,160	\$ 229,670

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>FDS Line#</u>	<u>Account Description</u>	Public and Indian Housing 14.850	Public Housing Indian Housing 14.872	Public Housing CARES Act Funding 14.PHC	TOTAL
Other Financing Sources/(Uses)					
10010	Operating transfers in	28,238	0	0	28,238
10020	Operating transfers out	0	(28,238)	0	(28,238)
10030	Operating transfers from/to primary government	0	0	0	0
10040	Operating transfers from/to component unit	0	0	0	0
10050	Proceeds from notes, loans and bonds	0	0	0	0
10060	Proceeds from property sales	0	0	0	0
10070	Extraordinary items, net gain/loss	0	0	0	0
10080	Special items (net gain/loss)	0	0	0	0
10091	Inter project excess cash transfer in	0	0	0	0
10092	Inter project excess cash transfer out	0	0	0	0
10093	Transfers between program and project - in	0	0	0	0
10094	Transfers between program and project - out	0	0	0	0
10100	Total Other Financing Sources/(Uses)	<u>28,238</u>	<u>(28,238)</u>	<u>0</u>	<u>0</u>
10000	EXCESS OF REVENUE OVER EXPENSES	\$ 18,126	\$ 7,053	\$ 0	\$ 25,179
11020	Required annual debt principal payment	0	0	0	0
10030	Beginning Net Position	499,422	0	0	499,422
11040-010	Prior period adjustments	0	0	0	0
11040-070	Equity transfers	7,053	(7,053)	0	0
11050	Changes - compensated absence balance	0	0	0	0
11060	Changes - contingent liability balance	0	0	0	0
11070	Changes - unrec pension transition liability	0	0	0	0
11080	Changes - doubtful accounts - dwelling rents	0	0	0	0
11090	Changes - doubtful accounts - other	0	0	0	0
	Ending Net Position	\$ 524,601	\$ 0	\$ 0	\$ 524,601
11170	Administrative fee equity	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-
11190	Units months available	464	-	-	464
11210	Units months leased	463	-	-	463

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Agency Head Name: Woody Whittington, Administrator

Salary	\$	-
Benefits-Insurance		-
Benefits-Retirement		-
Car Allowance		-
Vehicle Provided by Government		-
Per Diem		-
Reimbursements		-
Travel		-
Total Amount	\$	<u>-</u>

There is no employee compensation for the Housing Authority of the Town of Farmerville. There is a management fee and costs charges to the Housing Authority of the Town of Farmerville for which the Housing Authority of Ruston recognizes as revenue. There are no employees with Farmerville.

**HOUSING AUTHORITY OF THE
TOWN OF FARMERVILLE
Farmerville, Louisiana**

**SUPPLEMENTAL INFORMATION
SPECIAL REPORTS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
September 30, 2021

Annual Contributions Contract FW-1218

PHASE LA48P052501-18

1 The Actual Modernization Costs of Phase 501-18 were:

Funds Approved	\$ 84,722
Funds Expended	<u>84,722</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 84,722
Funds Expended	<u>84,722</u>
Excess of Funds Advanced	<u>\$ -</u>

- 2 Audit period additions totaled \$9,875 and accordingly were audited by Rector, Reeder & Lofton, P.C.
- 3 The distribution of costs by major cost accounts as shown on the Final Statement of Modernization Cost dated December 21, 2021, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
- 4 All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE
Farmerville, Louisiana

STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
September 30, 2021

Annual Contributions Contract FW-1218

PHASE LA48P052501-19

1 The Actual Modernization Costs of Phase 501-19 were:

Funds Approved	\$ 81,653
Funds Expended	<u>81,653</u>
Excess of Funds Approved	<u><u>\$ -</u></u>
Funds Advanced	\$ 81,653
Funds Expended	<u>81,653</u>
Excess of Funds Advanced	<u><u>\$ -</u></u>

- 2 Audit period additions totaled \$8,913 and accordingly were audited by Rector, Reeder & Lofton, P.C.
- 3 The distribution of costs by major cost accounts as shown on the Final Statement of Modernization Cost dated December 21, 2021, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
- 4 All modernization costs have been paid and all related liabilities have been discharged through payment.



December 21, 2021

To the Board of Commissioners
Housing Authority of the Town of Farmerville

We have audited the financial statements of the ***Housing Authority of the Town of Farmerville*** for the year ended **September 30, 2021**, and have issued our report thereon dated **December 21, 2021**. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have included this information in this letter dated **December 21, 2021**. Professional standards also require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As a part of our audit, we considered the internal control structure of the ***Housing Authority of the Town of Farmerville***. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning the internal control structure of the agency.

Qualitative Aspects of Accounting Practices

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the ***Housing Authority of the Town of Farmerville*** are described in Note A to the financial statements. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. No new accounting policies were adopted and the application of existing policies was not changed during the year.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

There were no difficulties encountered in conducting the audit of the ***Housing Authority of the Town of Farmerville*** for the year ended **September 30, 2021**.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Disagreements with Management

For the purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **December 21, 2021**.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

There were no other matters noted during the course of our audit that needed to be formally communicated to management as a part of this letter.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Organization that could potentially cause future financial statements to be materially misstated. For purposes of reporting, we noted no adjustments that would be considered material to the financial statements.

Current Year Findings, Significant Deficiencies and Material Weaknesses

The current audit period for **September 30, 2021**, reported no significant deficiencies or material weaknesses. Also, this report disclosed no reportable findings of noncompliance.

This information is intended solely for the use of the Audit Committee, Board of Commissioners, applicable government agencies and the management of the **Housing Authority of the Town of Farmerville** and should not be used for any other purpose.

Very truly yours,

Rector, Reeder & Lofton, P.C.

Rector, Reeder & Lofton, P.C.
Certified Public Accountants