

**HOUSING AUTHORITY OF MINDEN, LOUISIANA**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL DATA**

**TWELVE MONTHS ENDED JUNE 30, 2018**

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

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Independent Auditor's Report

Board of Commissioners  
Housing Authority of Minden  
Minden, Louisiana

***Report on the Financial Statements***

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Minden, Louisiana as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority of Minden, Louisiana basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

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

### ***Emphasis of Matter***

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

### ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Minden, Louisiana's basic financial statements. The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost*

*Principles, and Audit Requirements for Federal Awards*, and other information as listed on the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, and other information as listed on the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2019 on our consideration of the Housing Authority of the City of Minden, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the City of Minden, Louisiana's internal control over financial reporting and compliance.

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
January 16, 2019

**HOUSING AUTHORITY OF MINDEN, LA**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**  
**JUNE 30, 2018**

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

## **FINANCIAL HIGHLIGHTS**

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$7,565,023 at the close of the fiscal year ended 2018.
  - ✓ Of this amount \$5,384,183 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
  - ✓ Also of this amount, \$12,855 of net position is restricted for the Housing Choice Voucher program
  - ✓ The remainder of \$1,717,984 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 85% of the total operating expenses of \$2,025,758 for the fiscal year 2018, which means the Authority might be able to operate about 10 months using the unrestricted assets alone, compared to 11 months in the prior fiscal year.
- The Housing Authority's total net position increased by \$277,954, a 4% increase from the prior fiscal year 2017. 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 a decrease in cash and cash equivalents of \$30,896.
- The Authority spent \$277,104 on capital asset additions during the current fiscal year.
- These changes led to an increase in total assets by \$294,302 and an increase in total liabilities by \$5,511. As related measure of financial health, there are still over \$22 of current assets covering each dollar of total current liabilities, which compares to \$21 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

## Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2018?" The Statement of net position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

## Fund Financial Statements

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

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

## USING THIS ANNUAL REPORT

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

Low Rent Public Housing	\$ 872,051
Public Housing Capital Fund Program	462,364
Housing Choice Vouchers	429,747
Business Activities	-
Total funding received this current fiscal year	<u>\$1,764,162</u>

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

## Reporting the Housing Authority's Most Significant Funds

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

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

## FINANCIAL ANALYSIS

The Housing Authority's net position was \$7,565,022 as of June 30, 2018. Of this amount, \$5,834,182 was invested in capital assets, and the remaining \$1,717,984 was unrestricted. There were \$12,856 in specific assets restricted Housing Choice Voucher (HCV) program, for tenant security deposits and future housing payment reserves

## CONDENSED FINANCIAL STATEMENTS

### Condensed Statement of Net Position As of June 30, 2018

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets	\$1,843,199	\$1,692,574
Assets restricted for Housing Choice Voucher (HCV) program,	12,856	24,737
Capital assets, net of depreciation	<u>5,834,183</u>	<u>5,678,625</u>
Total assets	<u>7,690,238</u>	<u>7,395,936</u>
<b>LIABILITIES</b>		
Current liabilities	82,993	79,033
Non-current liabilities	<u>42,223</u>	<u>40,672</u>
Total liabilities	<u>125,216</u>	<u>119,705</u>
<b>NET POSITION (DEFICIT)</b>		
Invested in capital assets, net of depreciation	5,834,183	5,678,625
Net position restricted for the Housing Choice Voucher program	12,855	24,737
Unrestricted net position	<u>1,717,984</u>	<u>1,572,869</u>
Total net position	<u><u>\$7,565,022</u></u>	<u><u>\$7,276,231</u></u>

**CONDENSED FINANCIAL STATEMENTS (Continued)**

The net position of these funds increased by \$277,954, or by 4%, from those of fiscal year 2017, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

	2018	2017
<b>OPERATING REVENUES</b>		
Dwelling rental	\$ 452,898	\$ 428,896
Governmental operating grants	1,326,798	1,318,578
Other-dwelling	50,357	37,267
Other	21,819	27,701
Total Operating Revenues	1,851,872	1,812,442
<b>OPERATING EXPENSES</b>		
Administration	432,936	413,087
Tenant services	6,271	6,175
Utilities	102,697	83,623
Ordinary maintenance & operations	461,851	404,175
General expenses	345,075	199,581
Depreciation	281,859	261,898
Housing assistance payments	378,310	414,994
Extraordinary maintenance	16,759	11,318
Total Operating Expenses	2,025,758	1,794,851
Income (Loss) from Operations	(173,886)	17,591
Non Operating Revenues (Expenses)		
Interest earnings	3,851	3,676
Gain/Loss on disposal of assets	10,625	0
Total Non-Operating Revenues	14,476	3,676
Income (Loss) before contribution	(159,410)	21,267
Capital Contribution	437,364	283,056
Change in net position	277,954	304,323
Total net position - beginning	7,287,068	6,971,908
Total net position - ending	\$ 7,565,022	7,276,231

## EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating, non-operating revenues, and capital contributions increased \$204,539, or by 10%, from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$37,092, or by 8% from that of the prior fiscal year, because occupancy rates decreased by 2%, 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) decreased by \$13,090, or by 35%.
- Federal revenues from HUD for operations increased by \$8,220 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.
- Federal Capital Funds from HUD increased by \$154,308, or by 55% from that of the prior fiscal year. Though the Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2015 through 2016, they submitted a new grant during fiscal year 2018.
- Total other operating revenue decreased by \$5,881, or by 21% from that of the prior fiscal year.
- Interest income increased by \$175, or by 5% from that of the prior fiscal year.
- Gains on sales of assets increased by \$10,625 from that of the prior fiscal year.
- Interest income totaling \$3,851, did not change significantly from the prior to the current year.

Compared with the prior fiscal year, total operating expenses increased \$230,907, or by 13%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$19,961, or by 8% from that of the prior fiscal year, due to an increase in capital assets by \$415,183.
- Maintenance and repairs increased by \$57,676, or by 15% from that of the prior fiscal year, due to several factors: Repair staff wages decreased by \$3,818, or by 2%, and related employee benefit contributions increased by \$8,053, or by 15%; materials used increased by \$11,895, or by 27%; and contract labor costs increased by \$36,105, or by 59%. In addition, Extraordinary maintenance increased by \$5,441, or by 48% from that of the prior fiscal year.
- General Expenses increased by \$145,494, or by 75% from that of the prior fiscal year, primarily because Insurance premiums increased by \$7,728, or by 6%, since property and casualty insurance premiums increased; whereas, other general expenses increased by \$157,138. Bad debts decreased by \$30,577, or by 81%. Lastly, compensated absences increased by \$11,205, or by 62%.

- Administrative Expenses increased by \$19,849, or by 4% from that of the prior fiscal year, due to a combination of offsetting factors. Administrative staff salaries decreased by \$29,079, or by 14%, and related employee benefit contributions decreased by \$28,875, or by 30%; therefore, total staff salaries and benefit costs decreased by 19%. In addition, audit fees increased by \$375, or by 2%, management fees paid to outside consultants increased by \$43,207, and legal fees increased by \$1,548, or by 24%. Finally, staffs travels reimbursements increased by \$1,993, or by 30%, office expenses increased by \$23,124, or by 47%, and sundry expenses increased by \$7,557, or by 19%; therefore, other staff administrative expense increased by 33%.
- Housing Assistance Payments to landlords decreased by \$36,684, or by 9% from that of the prior fiscal year, because there was a decrease in the number of tenants qualifying for subsidy during the year.
- Utilities Expense increased by \$19,074, or by 23% from that of the prior fiscal year, because of numerous aggregated reasons: Water cost increased by \$13,919, due to an increase in rate by 39%; electricity cost decreased by \$23,168, due to a decrease in rate by 63%; gas cost increased by \$637, due to an increase in rate by 42%; and lastly, other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$28,323.
- Lastly, tenant services, totaling \$6,271, did not change significantly from the prior to the current year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2018, the Housing Authority had a total cost of \$17,297,342 invested in a broad range of assets and construction in progress from projects funded in 2014 through 2017, listed below. This amount, not including depreciation, represents increases of \$415,183 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

### Capital Assets, Net of Accumulated Depreciation

As of June 30, 2018

	<u>2018</u>	<u>2017</u>
Land	\$ 155,540	\$ 155,540
Construction in progress	-	316,386
Buildings	5,148,067	4,929,905
Leasehold improvements	472,963	194,976
Furniture and equipment	57,613	81,818
Infrastructure	<u>-</u>	<u>-</u>
Total	<u>\$5,834,183</u>	<u>\$5,678,625</u>

As of the end of the 2018 fiscal year, the Authority is still in the process of completing HUD grants of \$547,350 obtained during 2015 through 2016 fiscal years. A total remainder of \$43,122 will be received and spent for completing these projects during fiscal year 2019.

**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 2019 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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

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

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Chunda Jones, at Public Housing Authority of Minden, Louisiana; 1209 East Street; Minden, LA 71055.

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
STATEMENT OF NET POSITION

JUNE 30, 2018

	General	Housing Choice Voucher	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 1,389,776	\$ 26,958	\$ 1,416,734
Investments	264,273	0	264,273
Accounts receivable net	4,395	0	4,395
Interest receivable	262	0	262
Prepaid items and other assets	101,578	0	101,578
Inventory	23,557	0	23,557
Restricted assets - cash and cash equivalents	32,400	12,856	45,256
<b>Total Current Assets</b>	<b>1,816,241</b>	<b>39,814</b>	<b>1,856,055</b>
Capital Assets, net			
Land and other non-depreciated assets	155,540	0	155,540
Other capital assets - net of depreciation	5,678,643	0	5,678,643
<b>Total Capital Assets, net</b>	<b>5,834,183</b>	<b>0</b>	<b>5,834,183</b>
<b>Total Assets</b>	<b>\$ 7,650,424</b>	<b>\$ 39,814</b>	<b>\$ 7,690,238</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 26,275	\$ 819	\$ 27,094
Unearned income	2,345	0	2,345
Compensated absences payable	15,744	1,371	17,115
Accrued PILOT	4,039	0	4,039
Deposits due others	32,400	0	32,400
<b>Total Current Liabilities</b>	<b>80,803</b>	<b>2,190</b>	<b>82,993</b>
Noncurrent Liabilities			
Compensated absences payable	38,454	3,769	42,223
<b>Total Liabilities</b>	<b>119,257</b>	<b>5,959</b>	<b>125,216</b>
<b>NET POSITION</b>			
Net investment in capital assets	5,834,183	0	5,834,183
Restricted for:			
HAP Equity	0	12,855	12,855
Unrestricted	1,696,984	21,000	1,717,984
<b>Net Position</b>	<b>\$ 7,531,167</b>	<b>\$ 33,855</b>	<b>\$ 7,565,022</b>

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

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

YEAR ENDED JUNE 30, 2018

	General	Housing Choice Voucher	Total
<b>OPERATING REVENUES</b>			
Dwelling rental	\$ 452,898	\$ 0	\$ 452,898
Governmental operating grants	897,051	429,747	1,326,798
Other- dwelling	50,357	0	50,357
Other	16,671	5,148	21,819
<b>Total Operating Revenues</b>	<b>1,416,977</b>	<b>434,895</b>	<b>1,851,872</b>
<b>OPERATING EXPENSES</b>			
Administration	363,421	69,515	432,936
Tenant services	6,271	0	6,271
Utilities	102,697	0	102,697
Ordinary maintenance & operations	461,726	125	461,851
General expenses	340,808	4,267	345,075
Depreciation	281,859	0	281,859
Extraordinary maintenance	16,759	0	16,759
Housing assistance payments	0	378,310	378,310
<b>Total Operating Expenses</b>	<b>1,573,541</b>	<b>452,217</b>	<b>2,025,758</b>
<b>Income (Loss) from Operations</b>	<b>(156,564)</b>	<b>(17,322)</b>	<b>(173,886)</b>
<b>Non Operating Revenues (Expenses)</b>			
Interest earnings	3,768	83	3,851
Gain on sale of fixed assets	0	10,625	10,625
<b>Total Non-Operating Revenues (Expenses)</b>	<b>3,768</b>	<b>10,708</b>	<b>14,476</b>
<b>Income (Loss) before contribution</b>	<b>(152,796)</b>	<b>(6,614)</b>	<b>(159,410)</b>
Capital Contribution	437,364	0	437,364
<b>Change in net position</b>	<b>284,568</b>	<b>(6,614)</b>	<b>277,954</b>
Total net position - beginning unadjusted	7,235,762	40,469	7,276,231
Prior period adjustment	10,837	0	10,837
Total net position - beginning adjusted	7,246,599	40,469	7,287,068
Total net position - ending	\$ 7,531,167	\$ 33,855	\$ 7,565,022

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

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	General	Housing Choice Voucher	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rental receipts	\$ 445,403	\$ 0	\$ 445,403
Other receipts (disbursements)	97,220	(13,457)	83,763
Federal grants	1,047,468	429,747	1,477,215
Payments to vendors	(717,655)	(63,983)	(781,638)
Payments to employees – net	(576,079)	(7,491)	(583,570)
Payments to private landlords	0	(378,310)	(378,310)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided (used) by operating activities	296,357	(33,494)	262,863
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(437,417)	0	(437,417)
Federal Capital Grants	437,364	0	437,364
Sale of capital assets	0	10,625	10,625
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided (used) by capital and related financing activities	(53)	10,625	10,572
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	3,761	83	3,844
Purchase of investments	(1,837)	0	(1,837)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided (used) by investing activities	1,924	83	2,007
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	298,228	(22,786)	275,442
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of Fiscal Year	1,123,948	62,600	1,186,548
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>CASH AND CASH EQUIVALENTS</b>			
End of Fiscal Year	\$ 1,422,176	\$ 39,814	\$ 1,461,990
	<u>                    </u>	<u>                    </u>	<u>                    </u>

Continued

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	General	Housing Choice Voucher	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (156,564)	\$ (17,322)	\$ (173,886)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	281,859	0	281,859
Provision of uncollectible accounts	9,032	0	9,032
Prior period adjustment	10,837	0	10,837
Change in assets and liabilities:			
Receivables	139,341	0	139,341
Inventories	(1,571)	0	(1,571)
Prepaid items	(8,260)	0	(8,260)
Account payables	547	2,433	2,980
Unearned income	1,781	0	1,781
Deposits due others	750	0	750
Interfund balances	18,605	(18,605)	0
Net cash provided (used) by operations	<u>\$ 296,357</u>	<u>\$ (33,494)</u>	<u>\$ 262,863</u>

Concluded

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

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

JUNE 30, 2018

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

JUNE 30, 2018

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

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

The Housing Authority has the following units:

PHA Owned Housing	247 Units
Section 8	
Housing Choice Vouchers	137 Vouchers

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

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

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 MINDEN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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

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

Minden Housing Authority Development Company, LLC is a legally separate entity. The Board is the same as the Board of Commissioners of the Housing Authority. Based on the above, it has been determined that the Corporation is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through blended presentation. The Corporation does not issue separate financial statements. For fiscal year ended June 30, 2018, there was no current year activity.

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

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher program.

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

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

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

JUNE 30, 2018

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

**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 \$1,461,990. This is comprised of cash and cash equivalents of \$1,416,734 and restricted assets – cash of \$45,256, 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.

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

JUNE 30, 2018

**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.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful live 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	20 years
Buildings	40 years
Building improvements	20 years
Furniture and equipment	5-7 years
Computers	3 years

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

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

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

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

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

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

JUNE 30, 2018

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

**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 June 30, 2018. Deposits are stated at cost, which approximates fair value.

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

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

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

Restricted Cash: \$32,400 is restricted in the General Fund for security deposits. \$12,856 is restricted in the Housing Choice Voucher fund for HAP Equity.

At June 30, 2018, the Housing Authority's carrying amount of deposits was \$1,726,163 and the bank balance was \$1,752,103, which includes \$264,273 in certificates of deposits classified as investments. Petty cash consists of \$100. \$672,871 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$1,079,232 was covered by pledged securities. However, this \$1,079,232 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.

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

JUNE 30, 2018

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.

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

<u>Class of Receivables</u>	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total</u>
Local sources:			
Tenants	\$ 4,395	\$ 0	\$ 4,395
Total	<u>\$ 4,395</u>	<u>\$ 0</u>	<u>\$ 4,395</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$37,408.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets				
Land and buildings	\$ 155,540	\$ 0	\$ 0	\$ 155,540
Construction in progress	316,386	0	316,386	0
Depreciable assets:				
Buildings	15,595,063	753,751	0	16,348,814
Furniture and equipment	815,170	0	22,182	792,988
Total capital assets	<u>16,882,159</u>	<u>753,751</u>	<u>338,568</u>	<u>17,297,342</u>
Less: accumulated depreciation				
Buildings	10,470,182	257,602	0	10,727,784
Furniture and equipment	733,352	24,204	22,181	735,375
Total accumulated depreciation	<u>11,203,534</u>	<u>281,806</u>	<u>22,181</u>	<u>11,463,159</u>
Total capital assets, net	<u>\$ 5,678,625</u>	<u>\$ 471,945</u>	<u>\$ 316,387</u>	<u>\$ 5,834,183</u>

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

JUNE 30, 2018

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

	General		Housing Choice Voucher		Total
Vendors	\$ 8,854	\$	0	\$	8,854
Payroll taxes & Retirement withheld	7,468		819		8,287
Utilities	9,953		0		9,953
Total	\$ 26,275	\$	819	\$	27,094

**NOTE 6 – COMPENSATED ABSENCES** At June 30, 2018, employees of the Housing Authority have accumulated and vested \$59,338 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 June 30, 2018.

		Compensated Absences
Balance, beginning	\$	58,603
Additions		24,013
Deletions		23,278
Balance, ending		59,338
Amounts due in one year	\$	1,371

**NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES** At June 30, 2018, the General Fund owes the Housing Choice Voucher (HCV) Fund \$333. For financial statement purposes, this amount was deducted from General Fund cash and added to HCV Fund cash.

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

JUNE 30, 2018

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

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 5% of each participant's effective compensation.

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

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

The Housing Authority made the required contributions of \$40,312 for the year ended June 30, 2018, of which \$20,156 was paid by the Housing Authority and \$20,156 was paid by employees. No payments were made out of the forfeiture account.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

**Commitments** On January 11, 2017, the Authority entered into an Employment agreement with the Executive Director. The agreement became effective January 11, 2017 and terminates December 31, 2021. The agreement may be renewed for an additional term, upon approval by the Board of Commissioners. However, the agreement may be terminated sooner, by either party.

The Board must give due notice and follow certain procedures to terminate the Executive Director for cause. In such event, the Executive Director must be paid salary earned through termination, plus accrued annual leave and other benefits.

The Board may also terminate the Executive Director without cause, when in its judgment, such termination is in the best interest of the Authority. In such event the Director shall be entitled to 120 days advance written advance notice of such termination, or severance pay equal to 120 days of salary, in addition to all amounts or benefits due to the Executive Director during that time period.

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

JUNE 30, 2018

**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 June 30, 2018. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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

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

This includes coverage of property, general liability, public liability, 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 11 – ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$1,764,162 to the Housing Authority, which represents approximately 77% of the Housing Authority's total revenue and capital contributions for the year.

**NOTE 12 - SUBSEQUENT EVENTS** Management has evaluated events and transactions subsequent to the statement of net position date through, January 16, 2019, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

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

JUNE 30, 2018

**NOTE 13 – PRIOR PERIOD ADJUSTMENTS** An adjustment of \$10,837 was necessary to correct an accounting error made in the prior year.



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

Independent Auditor's Report

Housing Authority of Minden  
Minden, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund of the Housing Authority of the City of Minden, Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Minden, Louisiana's basic financial statements, and have issued our report thereon dated January 16, 2019.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness. It is Audit Finding

2018-001. We also identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency. It is Audit Finding 2018-002.

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

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Minden, 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Audit Finding 2018-001.

### ***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  
January 16, 2019



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

Independent Auditor's Report

Housing Authority of Minden  
Minden, Louisiana

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

We have audited the Housing Authority of the City of Minden, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Minden, Louisiana's major federal programs for the year ended June 30, 2018. The Housing Authority of the City of Minden, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

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

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

### ***Basis for Qualified Opinion on Low Rent Program***

As described in the accompanying schedule of findings and questioned costs, the Housing Authority of Minden, Louisiana did not comply with requirements regarding the CDFA 14.850 Low Rent Program, Audit Finding 2018-001 for Reporting. Compliance with such requirements is necessary, in our opinion, for the Housing Authority of Minden, Louisiana to comply with the requirements applicable to that program.

### ***Qualified Opinion on Low Rent Program***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Housing Authority of Minden, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Low Rent Program for the year ended June 30, 2018.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001. Our opinion on each major federal program is not modified with respect to these matters.

The Housing Authority of the City of Minden, Louisiana's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Housing Authority of the City of Minden, Louisiana's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

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

over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses of significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 that we consider to be a material weakness.

The Housing Authority of the City of Minden, Louisiana's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Housing Authority of the City of Minden, Louisiana's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of Housing Authority of the City of Minden, Louisiana as of and for the year ended June 30, 2018, and have issued our report thereon dated January 16, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
January 16, 2019

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

YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.		PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:			
Low-Income Housing Operating Subsidy	14.850a	\$	872,051
Capital Fund Program	14.872		462,364
Housing Choice Voucher	14.871		429,747
Total United States Department of Housing and Urban Development		\$	1,764,162
Total Expenditures of Federal Awards		\$	1,764,162

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED JUNE 30, 2018

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

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

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

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 1,326,798
Capital contributions	437,364
Total	\$ 1,764,162

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

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

YEAR ENDED JUNE 30, 2018

**Section I – Summary of the Auditor’s Results**

**Financial Statement Audit**

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

**Audit of Federal Awards**

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

CFDA# 14.850                      Public and Indian Housing – Low Rent Program
5. Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000
6. Auditee qualified as low-risk auditee?           yes      ✓   no
7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

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

YEAR ENDED JUNE 30, 2018

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

General Fund – CDEA #14.850

Finding 2018– 001 – Unaudited Financial Statements Materially Misstated - Reporting

Criteria and Condition

Material audit adjustments were necessary to correct the financial statements. According to Statement on Auditing Standard #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 material weakness are defined by the Standard.

Context

The following is noted for the Low Rent program, from unaudited to audited: Total assets were overstated by \$744,547, total revenue was overstated by \$709,818, and total expenses understated by \$175,724. Prior period adjustments were overstated by \$316,387.

Cause

Management changed fee accountants at mid-year. They also changed fee accountants in mid-year during the prior year, the year ending June 30, 2017. It is difficult to accurately account for financial transactions during a transition, especially if not at the beginning of a new fiscal year. We are not able to determine whether one or both accountants were at fault. We do not know the amount of cooperation and communication between the two.

Effect

Unaudited financial statements were not as accurate as they should have been. Management should use the statements as a tool to monitor their financial operations.

Questioned Cost

None.

Recommendation

The new fee accountant should ensure that the unaudited financial statements, especially at year-end but preferably more often, be reviewed by a second party that is competent to detect material misstatements. We request the fee accountant for documentation of a second party review of the year-end financial statements. Lack of such documentation is likely considered a material weakness, as defined by Statement on Auditing Standard (SAS) #115.

Views of Responsible Officials and Planned Corrective Actions

I am Chunda Jones, Executive Director and Designated Person to answer this finding. We will do as the auditor suggests.

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

YEAR ENDED JUNE 30, 2018

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

Finding 2018-002- 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

Although the principal accounting records were available to us, the auditors, by November 12<sup>th</sup>, substantial audit work was not completed until January 9<sup>th</sup>, to materially correct the financial statements, as noted in Audit Finding 2018-001.

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 MINDEN, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2018

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

Finding 2018-001 also applies here.

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2018

See Views of Responsible Officials and Planned Corrective Actions in the Schedule of Findings and Questioned Costs on pages 35 and 36.

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

YEAR ENDED JUNE 30, 2018

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

General Fund – CDFA #14.850

Finding 2017– 001 – Unaudited Financial Statements Materially Misstated and Inadequate Review of Unaudited Financial Statements - Reporting

Condition

A material audit adjustment was necessary to correct the financial statements. According to Statement on Auditing Standard #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 material weakness are defined by the Standard.

Construction in Progress was under-reported by \$195,046. Capital funding from HUD for grants was under-reported \$192,273.

Recommendation

The new fee accountant should ensure that the unaudited financial statements, especially at year-end but preferably more often, be reviewed by a second party that is competent to detect material misstatements. We request the fee accountant for documentation of a second party review of the year-end financial statements. Lack of such documentation is likely considered a material weakness, as defined by Statement on Auditing Standard (SAS) #115.

Current Status

This finding is repeated in the current audit. Management again changed fee accountants during the audit year.

Housing Choice Voucher Fund-CDFA #14.871 and General Fund-CDFA #14.850

Finding 2017-002 – Material Interfund Accounts Existed at Year End – Allowable Costs/Cost Principles

Condition

At June 30, 2017, the Housing Choice Voucher Fund owed \$18,605 to the Low Rent Program.

Generally accepted accounting principles allow immaterial interfund accounts. Otherwise, each fund would have to pay as it goes all of its own individual expenses, including salary, overhead, and other allocations. However, material interfund balances may become difficult to be repaid, even when Management wants to pay these amounts. In the latter situation, the classification of interfund accounts may not be proper. The amounts may be more correctly classified as equity transfers to and from these accounts. HUD does not currently allow equity transfers between the Low Rent and the Housing Choice Voucher Fund.

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

YEAR ENDED JUNE 30, 2018

Recommendation

Management should continue to attempt to reduce the interfund balance to zero.

Current Status

This finding is not repeated. As noted in Note 8, the year-end interfund amount is only \$333.

**SUPPLEMENTARY INFORMATION**

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS  
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED JUNE 30, 2018

	2012 Capital Fund	2013 Capital Fund	2014 Capital Fund
Funds approved	\$ 275,437	\$ 264,561	\$ 274,524
Funds expended	275,437	264,561	274,524
Excess of funds approved	\$ 0	\$ 0	\$ 0
Funds advanced	\$ 275,437	\$ 264,561	\$ 274,524
Funds expended	275,437	264,561	274,524
Excess (Deficiency) of funds advanced	\$ 0	\$ 0	\$ 0

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statements of Modernization Costs dated 10/19/16, 12/5/18, and 12/5/18 accompanying the Actual Modernization Costs Certificates submitted to HUD for approval are in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See accountant's report

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

YEAR ENDED JUNE 30, 2018

CASH BASIS

	<u>2015</u>		<u>2016</u>
	Capital Fund		Capital Fund
Funds approved	\$ 271,454	\$	275,896
Funds expended	<u>257,006</u>		<u>247,222</u>
Excess of funds approved	<u>\$ 14,448</u>	\$	<u>28,674</u>
Funds advanced	\$ 257,006	\$	247,222
Funds expended	<u>257,006</u>		<u>247,222</u>
Excess (Deficiency) of funds advanced	<u>\$ 0</u>	\$	<u>0</u>

See accountant's report

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

YEAR ENDED JUNE 30, 2018

**Agency Head Name:** Chunda Jones, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 67,279
Benefits-insurance	10,345
Benefits-retirement	3,364
Benefits	
Car allowance	
Vehicle provided by government	
Per diem	1,648
Reimbursements	
Travel	
Registration fees	1,270
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
<b>Total</b>	<b>\$ 83,906</b>

See accountant's report



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AUDIT QUALITY CENTER

## AGREED UPON PROCEDURES REPORT

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

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

We have performed the procedures enumerated below, which were agreed to by the Minden 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 July 1, 2017 through June 30, 2018. The Minden Housing Authority's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

#### *Written Policies and Procedures*

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results of Testing:

Last year we noted that the Authority had policies for Personnel, Payroll, Disbursements, and Travel and Expense Reimbursement. In addition, the Authority also has other policies that are required by HUD. We recommended that the Authority adopt the policies of Budgeting, Purchasing, Receipts, Contracting, Credit Cards, and Ethics, as required by the Louisiana Legislative Auditor [LLA], and outlined in the LLA's first AUP report.

The Authority has not yet done this. Management should adopt the policies as soon as they review them and adapt to their situation.

Corrective Action Response:

We will do as the auditor suggests.

***Board or Finance Committee***

---

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

period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results of Testing:

- a) The board met on a frequency in accordance with the Authority's by-laws.
- b) The minutes are very thorough and mention that the financial statements are reviewed. However, the minutes do not specifically state that reviews were made of monthly budget-to-actual comparisons were made at each board meeting. The minutes should note this at each meeting.
- c) The unrestricted general fund balance at the end of the prior year was a positive amount.

Corrective Action Response:

We will comply with the auditor's recommendation in (b) above.

***Bank Reconciliations***

---

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

Results of Testing:

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

***Collections***

---

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

Results of Testing:

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

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

Results of Testing:

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

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

Results of Testing:

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

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

Results of Testing:

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

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

---

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

Results of Testing:

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

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

Results of Testing:

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

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

Results of Testing:

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

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

---

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

Results of Testing:

Management represents that the list is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results of Testing:

- a) The monthly statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) No finance charges or late fees were assessed on the tested statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results of Testing:

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

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

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Testing:

- a) The travel policy still refers to reimbursement at the IRS rate. Last year we recommended that they revise the policy to reimburse as the LLA desires, using the rate noted at [www.gsa.gov](http://www.gsa.gov), as to the time and place. The differences in the current policy and the revised policy are minimal.
- b) When actual costs were reimbursed, the reimbursement was supported by original itemized receipts that identified precisely what was purchased.
- c) The reimbursement was supported by documentation of the business/public purpose.
- d) Each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts***

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

Results of Testing:

- a) All of the contracts in the prior year and current year tested were bid in accordance with the Louisiana Public Bid law, with one exception. We noted last year that the fourth largest tested amount was for architectural services. We noted that HUD regulations require the PHA to request proposals for professional services at least every 6<sup>th</sup> year [professional contracts cannot be extended for more than five years]. We recommended that when the current architectural contract expires, Management should solicit other proposals, and evaluate using common criteria. The contract has not yet expired.

Corrective Action Response:

We will do as the auditor suggests.

*Payroll and Personnel*

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

Results of Testing:

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

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results of Testing:

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

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

Results of Testing:

No termination payments were made in the current year.

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

Results of Testing:

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

*Ethics*

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

Results of Testing:

- a) Each tested employee/official completed one hour of ethics training during the fiscal period.
- b) Management did not have documentation that each employee/official attested through signature verification that he or she had read the ethics policy during the fiscal period. Management should obtain this signature verification each fiscal period.

Corrective Action Response:

We will do as the auditor suggests.

*Debt Service*

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

Results of Testing:

Not applicable.

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

Results of Testing:

Not applicable.

*Other*

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

Results of Testing:

Management asserts that they are not aware of any misappropriations of public funds or assets.

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

Results of Testing:

The notice is properly posted.

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

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

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
January 16, 2019

**HOUSING AUTHORITY OF MINDEN, LOUISIANA  
FINANCIAL DATA SCHEDULES**

YEAR ENDED JUNE 30, 2018

<b>Entity Wide Balance Sheet Summary</b>						
	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$0	\$26,958	\$52,370	\$79,328		\$79,328
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$12,856	\$0	\$12,856		\$12,856
114 Cash - Tenant Security Deposits	\$32,400	\$0	\$0	\$32,400		\$32,400
115 Cash - Restricted for Payment of Current Liabilities	\$0		\$0	\$0		\$0
100 Total Cash	\$1,369,806	\$39,814	\$52,370	\$1,461,990	\$0	\$1,461,990
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0		\$0
122 Accounts Receivable - HUD Other Projects						
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous						
126 Accounts Receivable - Tenants	\$41,803	\$0	\$0	\$41,803		\$41,803
126.1 Allowance for Doubtful Accounts - Tenants	-\$37,408	\$0	\$0	-\$37,408		-\$37,408
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0		\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0		\$0
129 Accrued Interest Receivable	\$262	\$0	\$0	\$262		\$262
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,657	\$0	\$0	\$4,657	\$0	\$4,657
131 Investments - Unrestricted	\$264,273	\$0	\$0	\$264,273		\$264,273
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	\$101,578	\$0	\$0	\$101,578		\$101,578
143 Inventories	\$24,797	\$0	\$0	\$24,797		\$24,797
143.1 Allowance for Obsolete Inventories	-\$1,240	\$0	\$0	-\$1,240		-\$1,240
144 Inter Program Due From		\$0		\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0		\$0
150 Total Current Assets	\$1,763,871	\$39,814	\$52,370	\$1,856,055	\$0	\$1,856,055
161 Land	\$155,540	\$0	\$0	\$155,540		\$155,540
162 Buildings	\$15,875,851	\$0	\$0	\$15,875,851		\$15,875,851
163 Furniture, Equipment & Machinery - Dwellings	\$339,358	\$0	\$0	\$339,358		\$339,358
164 Furniture, Equipment & Machinery - Administration	\$419,668	\$33,962	\$0	\$453,630		\$453,630
165 Leasehold Improvements	\$472,963	\$0	\$0	\$472,963		\$472,963
166 Accumulated Depreciation	-\$11,429,197	-\$33,962	\$0	-\$11,463,159		-\$11,463,159
167 Construction in Progress	\$0	\$0	\$0	\$0		\$0
168 Infrastructure	\$0	\$0	\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,834,183	\$0	\$0	\$5,834,183	\$0	\$5,834,183
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0		\$0
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$5,834,183	\$0	\$0	\$5,834,183	\$0	\$5,834,183
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0		\$0
290 Total Assets and Deferred Outflow of Resources	\$7,598,054	\$39,814	\$52,370	\$7,690,238	\$0	\$7,690,238

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2018

Entity Wide Balance Sheet Summary						
	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
311 Bank Overdraft	\$0	\$0	\$0	\$0		\$0
312 Accounts Payable <= 90 Days	\$8,854	\$0	\$0	\$8,854		\$8,854
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$7,468	\$819	\$0	\$8,287		\$8,287
322 Accrued Compensated Absences - Current Portion	\$15,744	\$1,371	\$0	\$17,115		\$17,115
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0		\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0		\$0
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0		\$0
333 Accounts Payable - Other Government	\$4,039	\$0	\$0	\$4,039		\$4,039
341 Tenant Security Deposits	\$32,400	\$0	\$0	\$32,400		\$32,400
342 Unearned Revenue	\$2,345			\$2,345		\$2,345
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$0	\$0	\$0		\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0		\$0
345 Other Current Liabilities	\$9,953	\$0	\$0	\$9,953		\$9,953
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0		\$0
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$0	\$0
348 Loan Liability - Current						
310 Total Current Liabilities	\$80,803	\$2,190	\$0	\$82,993	\$0	\$82,993
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0		\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0		\$0
354 Accrued Compensated Absences - Non Current	\$38,454	\$3,769	\$0	\$42,223		\$42,223
355 Loan Liability - Non Current						
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0		\$0
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	\$38,454	\$3,769	\$0	\$42,223	\$0	\$42,223
300 Total Liabilities	\$119,257	\$5,959	\$0	\$125,216	\$0	\$125,216
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0		\$0
508.4 Net Investment in Capital Assets	\$5,834,183	\$0	\$0	\$5,834,183		\$5,834,183
511.4 Restricted Net Position	\$0	\$12,855	\$0	\$12,855		\$12,855
512.4 Unrestricted Net Position	\$1,644,614	\$21,000	\$52,370	\$1,717,984		\$1,717,984
513 Total Equity - Net Assets / Position	\$7,478,797	\$33,855	\$52,370	\$7,565,022	\$0	\$7,565,022
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$7,598,054	\$39,814	\$52,370	\$7,690,238	\$0	\$7,690,238

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2018

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$452,898	\$0	\$452,898
70400 Tenant Revenue - Other	\$50,357	\$0	\$50,357
70500 Total Tenant Revenue	\$503,255	\$0	\$503,255
70600 HUD PHA Operating Grants	\$872,051	\$25,000	\$897,051
70610 Capital Grants	\$0	\$437,364	\$437,364
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	\$3,692	\$0	\$3,692
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	\$10,497	\$0	\$10,497
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$1,389,495	\$462,364	\$1,851,859
91100 Administrative Salaries	\$173,204	\$0	\$173,204
91200 Auditing Fees	\$15,180	\$0	\$15,180
91300 Management Fee			
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$25	\$0	\$25
91500 Employee Benefit contributions - Administrative	\$65,848	\$0	\$65,848
91600 Office Expenses	\$47,272	\$0	\$47,272
91700 Legal Expense	\$8,107	\$0	\$8,107
91800 Travel	\$6,649	\$0	\$6,649
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$47,132	\$0	\$47,132
91000 Total Operating - Administrative	\$363,417	\$0	\$363,417
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	\$6,175	\$0	\$6,175
92500 Total Tenant Services	\$6,175	\$0	\$6,175
93100 Water	\$50,002	\$0	\$50,002
93200 Electricity	\$13,737	\$0	\$13,737
93300 Gas	\$2,140	\$0	\$2,140
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0
93600 Sewer	\$35,176	\$0	\$35,176

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2018

<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	\$1,642	\$0	\$1,642
93000 Total Utilities	\$102,697	\$0	\$102,697
94100 Ordinary Maintenance and Operations - Labor	\$209,712	\$0	\$209,712
94200 Ordinary Maintenance and Operations - Materials and Other	\$55,360	\$0	\$55,360
94300 Ordinary Maintenance and Operations Contracts	\$96,809	\$0	\$96,809
94500 Employee Benefit Contributions - Ordinary Maintenance	\$99,491	\$0	\$99,491
94000 Total Maintenance	\$461,372	\$0	\$461,372
95100 Protective Services - Labor	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0
95300 Protective Services - Other	\$354	\$0	\$354
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0
95000 Total Protective Services	\$354	\$0	\$354
96110 Property Insurance	\$100,508	\$0	\$100,508
96120 Liability Insurance	\$17,610	\$0	\$17,610
96130 Workmen's Compensation	\$13,927	\$0	\$13,927
96140 All Other Insurance	\$13,326	\$0	\$13,326
96100 Total insurance Premiums	\$145,371	\$0	\$145,371
96200 Other General Expenses	\$160,141	\$0	\$160,141
96210 Compensated Absences	\$23,586	\$0	\$23,586
96300 Payments in Lieu of Taxes	\$4,039	\$0	\$4,039
96400 Bad debt - Tenant Rents	\$7,153	\$0	\$7,153
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	\$194,919	\$0	\$194,919
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	\$1,274,305	\$0	\$1,274,305
97000 Excess of Operating Revenue over Operating Expenses	\$115,190	\$462,364	\$577,554
97100 Extraordinary Maintenance	\$16,759	\$0	\$16,759
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	\$281,859	\$0	\$281,859
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	\$1,572,923	\$0	\$1,572,923

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2018

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$25,000	\$0	\$25,000
10020 Operating transfer Out	\$0	-\$25,000	-\$25,000
10030 Operating Transfers from/to Primary Government			
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)	\$25,000	-\$25,000	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$158,428	\$437,364	\$278,936
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$7,199,861	\$0	\$7,199,861
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$437,365	-\$437,365	\$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	2964		2964
11210 Number of Unit Months Leased	2928		2928
11270 Excess Cash	\$114,335		\$114,335
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$356,030	\$356,030
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$81,334	\$81,334
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 MINDEN, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2018

Entity Wide Revenue and Expense Summary						
	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$452,898	\$0	\$0	\$452,898		\$452,898
70400 Tenant Revenue - Other	\$50,357	\$0	\$0	\$50,357		\$50,357
70500 Total Tenant Revenue	\$503,255	\$0	\$0	\$503,255		\$503,255
70600 HUD PHA Operating Grants	\$897,051	\$429,747	\$0	\$1,326,798		\$1,326,798
70610 Capital Grants	\$437,364	\$0	\$0	\$437,364		\$437,364
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees			\$0	\$0		\$0
70700 Total Fee Revenue						
70800 Other Government Grants	\$0	\$0	\$0	\$0		\$0
71100 Investment Income - Unrestricted	\$3,692	\$83	\$76	\$3,851		\$3,851
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0		\$0
71400 Fraud Recovery	\$0	\$346	\$0	\$346		\$346
71500 Other Revenue	\$10,497	\$4,802	\$6,174	\$21,473		\$21,473
71600 Gain or Loss on Sale of Capital Assets	\$0	\$10,625	\$0	\$10,625		\$10,625
72000 Investment Income - Restricted	\$0			\$0		\$0
70000 Total Revenue	\$1,851,859	\$445,603	\$6,250	\$2,303,712		\$2,303,712
91100 Administrative Salaries	\$173,204	\$7,302	\$0	\$180,506		\$180,506
91200 Auditing Fees	\$15,180	\$2,000	\$0	\$17,180		\$17,180
91300 Management Fee		\$48,327		\$48,327		\$48,327
91310 Book-keeping Fee	\$0	\$0	\$0	\$0		\$0
91400 Advertising and Marketing	\$25	\$144	\$0	\$169		\$169
91500 Employee Benefit contributions - Administrative	\$65,848	\$688	\$0	\$66,536		\$66,536
91600 Office Expenses	\$47,272	\$9,137	\$0	\$56,409		\$56,409
91700 Legal Expense	\$8,107	\$0	\$0	\$8,107		\$8,107
91800 Travel	\$6,649	\$1,911	\$0	\$8,560		\$8,560
91810 Allocated Overhead	\$0	\$6	\$0	\$6		\$6
91900 Other	\$47,132	\$0	\$4	\$47,136		\$47,136
91000 Total Operating - Administrative	\$363,417	\$69,515	\$4	\$432,936		\$432,936
92000 Asset Management Fee	\$0	\$0		\$0		\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0		\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0		\$0
92400 Tenant Services - Other	\$6,175	\$0	\$96	\$6,271		\$6,271
92500 Total Tenant Services	\$6,175	\$0	\$96	\$6,271		\$6,271
93100 Water	\$50,002	\$0	\$0	\$50,002		\$50,002
93200 Electricity	\$13,737	\$0	\$0	\$13,737		\$13,737
93300 Gas	\$2,140	\$0	\$0	\$2,140		\$2,140
93400 Fuel	\$0	\$0	\$0	\$0		\$0
93500 Labor	\$0	\$0	\$0	\$0		\$0
93600 Sewer	\$35,176	\$0	\$0	\$35,176		\$35,176

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2018

Entity Wide Revenue and Expense Summary						
	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0		\$0
93800 Other Utilities Expense	\$1,642	\$0	\$0	\$1,642		\$1,642
93000 Total Utilities	\$102,697	\$0	\$0	\$102,697		\$102,697
94100 Ordinary Maintenance and Operations - Labor	\$209,712	\$0	\$0	\$209,712		\$209,712
94200 Ordinary Maintenance and Operations - Materials and Other	\$55,360	\$0	\$0	\$55,360		\$55,360
94300 Ordinary Maintenance and Operations Contracts	\$96,809	\$125		\$96,934		\$96,934
94500 Employee Benefit Contributions - Ordinary Maintenance	\$99,491	\$0	\$0	\$99,491		\$99,491
94000 Total Maintenance	\$461,372	\$125	\$0	\$461,497		\$461,497
95100 Protective Services - Labor	\$0	\$0	\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0		\$0
95300 Protective Services - Other	\$354	\$0	\$0	\$354		\$354
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0		\$0
95000 Total Protective Services	\$354	\$0	\$0	\$354		\$354
96110 Property Insurance	\$100,508	\$0	\$0	\$100,508		\$100,508
96120 Liability Insurance	\$17,610	\$0	\$0	\$17,610		\$17,610
96130 Workmen's Compensation	\$13,927	\$0	\$0	\$13,927		\$13,927
96140 All Other Insurance	\$13,326	\$0	\$0	\$13,326		\$13,326
96100 Total insurance Premiums	\$145,371	\$0	\$0	\$145,371		\$145,371
96200 Other General Expenses	\$160,141	\$2,106	\$518	\$162,765		\$162,765
96210 Compensated Absences	\$23,586	\$2,161	\$0	\$25,747		\$25,747
96300 Payments in Lieu of Taxes	\$4,039	\$0	\$0	\$4,039		\$4,039
96400 Bad debt - Tenant Rents	\$7,153	\$0	\$0	\$7,153		\$7,153
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0		\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0		\$0
96800 Severance Expense	\$0	\$0	\$0	\$0		\$0
96000 Total Other General Expenses	\$194,919	\$4,267	\$518	\$199,704		\$199,704
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0		\$0
96720 Interest on Notes Payable (Short and Long Term)		\$0	\$0	\$0		\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0		\$0
96900 Total Operating Expenses	\$1,274,305	\$73,907	\$618	\$1,348,830		\$1,348,830
97000 Excess of Operating Revenue over Operating Expenses	\$577,554	\$371,696	\$5,632	\$954,882		\$954,882
97100 Extraordinary Maintenance	\$16,759	\$0	\$0	\$16,759		\$16,759
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0		\$0
97300 Housing Assistance Payments	\$0	\$378,310	\$0	\$378,310		\$378,310
97350 HAP Portability-In	\$0	\$0	\$0	\$0		\$0
97400 Depreciation Expense	\$281,859	\$0	\$0	\$281,859		\$281,859
97500 Fraud Losses	\$0	\$0	\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0		\$0
90000 Total Expenses	\$1,572,923	\$452,217	\$618	\$2,025,758		\$2,025,758

HOUSING AUTHORITY OF MINDEN, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2018

Entity Wide Revenue and Expense Summary						
	Project Total	14,871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
10010 Operating Transfer In	\$25,000	\$0	\$0	\$25,000		\$25,000
10020 Operating transfer Out	-\$25,000	\$0	\$0	-\$25,000		-\$25,000
10030 Operating Transfers from/to Primary Government		\$0		\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$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	\$0		\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$278,936	-\$6,614	\$5,632	\$277,954		\$277,954
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$7,199,861	\$40,469	\$35,901	\$7,276,231		\$7,276,231
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$10,837	\$10,837		\$10,837
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		\$21,000		\$21,000		\$21,000
11180 Housing Assistance Payments Equity		\$12,855		\$12,855		\$12,855
11190 Unit Months Available	2964	1200	0	4164		4164
11210 Number of Unit Months Leased	2928	1179	0	4107		4107
11270 Excess Cash	\$114,335			\$114,335		\$114,335
11610 Land Purchases	\$0			\$0		\$0
11620 Building Purchases	\$356,030			\$356,030		\$356,030
11630 Furniture & Equipment - Dwelling Purchases	\$0			\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0			\$0		\$0
11650 Leasehold Improvements Purchases	\$81,334			\$81,334		\$81,334
11660 Infrastructure Purchases	\$0			\$0		\$0
13510 CFFP Debt Service Payments	\$0			\$0		\$0
13901 Replacement Housing Factor Funds	\$0			\$0		\$0