

**Housing Authority of the
TOWN OF ST. MARTINVILLE**
St. Martinville, Louisiana

**Annual Financial Report
As of and for the Year Ended March 31, 2019**

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Basic Financial Statements

As of and for the Year Ended March 31, 2019

With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
Independent Auditor's Report		3
Required Supplementary Information		
Management's Discussion and Analysis		6
Basic Financial Statements:		
Statement of Net Position	A	13
Statement of Revenues, Expenses and Changes in Net Position	B	15
Statement of Cash Flows	C	16
Notes to the Financial Statements		17
Supplemental Information		
Financial Data Schedule		26
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer		31
Schedule of Compensation Paid Board Members		32
Agreed-upon Procedures Report		33
Other Reports		
Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>		43
Schedule of Audit Findings		45
Schedule of Prior Audit Findings		46

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Town of St. Martinville
St. Martinville, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the Housing Authority of the Town of St. Martinville (the authority) as of and for the year ended March 31, 2019, and the related notes to the financial statements, which comprise the Authority's 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Independent Auditor's Report, 2019

Page Two

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the Housing Authority of the Town of St. Martinville as of March 31, 2019, and the respective changes in financial position and 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 required by the Louisiana Legislative Auditor. My opinion is not modified in respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's discussion and analysis* as listed in the table of contents 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the authority's basic financial statements. The Financial Data Schedule and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Independent Auditor's Report, 2019

Page Three

The Financial Data Schedule and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate 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 my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Compensation of Board Members has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated July 17, 2019 on my consideration of the authority's internal control over financial reporting and on my 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 my 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 Auditing Standards* in considering the authority's internal control over financial reporting and compliance.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

July 17, 2019

Housing Authority of the Town of St. Martinville
St. Martinville, Louisiana

Management's Discussion and Analysis

For the Year Ended March 31, 2019

The management of Housing Authority of St. Martinville, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending March 31, 2019. 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 \$2,218,616 at the close of the fiscal year ended 2019.
 - ✓ Of this amount \$1,358,018 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ The remainder of \$860,598 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 103% of the total operating expenses of \$836,017 for the fiscal year 2019, which means the Authority might be able to operate about 11 months using the unrestricted assets alone, compared to 14 months in the prior fiscal year.
- The Housing Authority's total net position decreased by \$161,981, a 7% decrease from the prior fiscal year 2018.
- The decrease in net position of these funds was accompanied by a decrease in unrestricted cash by \$650,234 from fiscal year 2018.
- The Authority Spent 27,314 on capital asset additions and \$104,415 on construction in progress.
- These changes led to a decrease in total assets by \$123,294 and an increase in total liabilities by \$38,687. As related measure of financial health, there are still over \$8 of current assets covering each dollar of total current liabilities, which compares to \$13 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 2019?" 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.

Housing Authority of St. Martinville, LA
Management's Discussion and Analysis (MD&A)
March 31, 2019

Fund Financial Statements

The authority accounts for all financial activity in a single enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

USING THIS ANNUAL REPORT

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

Public Housing Capital Fund Program	\$ 87,270
Low Rent Public Housing	<u>117,816</u>
Total funding received this current fiscal year	<u>\$ 205,086</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.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$2,218,616 as of March 31, 2019. Of this amount, \$1,358,018 was invested in capital assets and \$860,598 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position.

Housing Authority of St. Martinville, LA
 Management's Discussion and Analysis (MD&A)
 March 31, 2019

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
 As of March 31, 2019**

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets	\$ 999,010	\$ 1,082,578
Capital assets, net of depreciation	1,358,018	1,397,744
Total assets	2,357,028	2,480,322
LIABILITIES		
Current liabilities	122,447	84,673
Non-current liabilities	15,965	15,052
Total liabilities	138,412	99,725
NET POSITION		
Invested in capital assets, net of depreciation	1,358,018	1,397,744
Unrestricted net position	860,598	982,853
Total net position	\$ 2,218,616	\$ 2,380,597

The net position of these funds decreased by \$161,981, or by 7%, from those of fiscal year 2018, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

Housing Authority of St. Martinville, LA
 Management's Discussion and Analysis (MD&A)
 March 31, 2019

CONDENSED FINANCIAL STATEMENTS (Continued)

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
 Fiscal Year Ended March 31, 2019**

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Tenant Revenue	\$ 377,650	\$ 368,538
HUD grants for operations	127,282	233,986
Other non-tenant revenue	82,744	81,545
Total operating revenues	<u>587,676</u>	<u>684,069</u>
OPERATING EXPENSES		
General	124,846	115,195
Ordinary maintenance and repairs	241,125	220,366
Administrative expenses and management fees	170,104	167,734
Utilities	124,856	118,410
Tenant services	270	270
Extraordinary maintenance and repairs	3,360	28,841
Casualty Loss	-	80,212
Depreciation	171,456	178,353
Total operating expenses	<u>836,017</u>	<u>909,381</u>
Income (losses) from operations	<u>(248,341)</u>	<u>(225,312)</u>
NON-OPERATING REVENUES		
Interest income	2,557	1,362
Miscellaneous revenues	5,999	481
Total non-operating revenues	<u>8,556</u>	<u>1,843</u>
Income (losses) before capital contributions	<u>(239,785)</u>	<u>(223,469)</u>
CAPITAL CONTRIBUTIONS	<u>77,804</u>	<u>50,213</u>
CHANGES IN NET POSITION	<u>(161,981)</u>	<u>(173,256)</u>
NET POSITION - BEGINNING	2,380,597	2,553,853
NET POSITION - END	<u>\$ 2,218,616</u>	<u>\$ 2,380,597</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and capital contributions decreased \$63,284 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$10,311 from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Included in this total is other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) which increased by \$1,199.
- Federal revenues from HUD for operations decreased by \$106,704 from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant.
- Federal Capital Funds from HUD increased by \$27,591 from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2014 through 2016, and submitted a new grant during fiscal year 2019.
- Total other operating revenue increased by \$5,518 and interest income increased by \$1,195 from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses decreased \$73,364, or by 8%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense decreased by \$6,897 from that of the prior fiscal year.
- Maintenance and repairs decreased by \$4,722 from that of the prior fiscal year due to changes in the following: Repair staff wages increased by \$18,340 and related employee benefit contributions increased by \$1,852. Materials used increased by \$16,553 and contract labor costs decreased by \$15,986. Finally, Extraordinary maintenance decreased by \$25,481 from the prior fiscal year.
- General Expenses increased by \$9,651 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$465. PILOT is calculated as a percentage of rent minus utilities and therefore changed proportionately to the changes in each of these. Insurance premiums increased by \$11,321, other general expenses increased by \$546 and bad debts decreased by \$133. Lastly, compensated absences decreased by \$2,548.
- Administrative Expenses increased by \$2,370 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries increased by \$579 and related employee benefit contributions decreased by \$256; therefore, total staff salaries and benefit costs increased. Outside professional fees changed as follows: audit fees increased by \$3,682. In addition, staff travel reimbursements decreased by \$1,117, office expenses decreased by \$1,487 and sundry expenses increased by \$969.
- Utilities Expense increased by \$6,446 from that of the prior fiscal year because water cost increased by \$2,672, electricity cost increased by \$1,137, gas cost decreased by \$30, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$2,667.
- Casualty losses decreased by \$80,212 from that of the prior fiscal year.

Housing Authority of St. Martinville, LA
Management's Discussion and Analysis (MD&A)
March 31, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At March 31, 2019, the Housing Authority had a total cost of \$6,645,622 invested in a broad range of assets and construction in progress from projects funded in 2014 through 2016, listed below. This amount, not including depreciation, represents decreases of \$308,527 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Statement of Capital Assets
As of March 31, 2019**

	<u>2019</u>	<u>2018</u>
Land	\$ 79,570	\$ 79,570
Construction in progress	104,415	-
Buildings	5,368,495	5,807,781
Leasehold improvements	840,320	840,320
Furniture and equipment	252,822	226,478
Accumulated Depreciation	<u>(5,287,604)</u>	<u>(5,556,405)</u>
Total	<u>\$ 1,358,018</u>	<u>\$ 1,397,744</u>

As of the end of the 2019 fiscal year, the Authority is still in the process of completing HUD grants of \$375,255 obtained during 2014 through 2016 fiscal years. A total remainder of \$51,134 will be received and spent for completing these projects during fiscal year 2020.

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2020 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 Larry Pratt, at Housing Authority of St. Martinville, LA; PO Box 913, St. Martinville, LA 70582.

Housing Authority of the Town of St. Martinville
St. Martinville, Louisiana
Statement of Net Position
As of March 31, 2019

ASSETS**Current assets**

Cash and cash equivalents	825,582
Investments	10,000
Receivables:	
HUD	77,523
Tenant rents, net of allowance	2,050
Accrued interest receivable	133
Prepaid expenses	48,658
Inventory, net of allowance	3,734
Restricted assets - cash and cash equivalents	<u>31,330</u>

Total current assets 999,010

Noncurrent assets

Capital assets:

Nondepreciable capital assets:

Land	79,570
Construction in progress	<u>104,415</u>
Total nondepreciable capital assets	<u>183,985</u>

Depreciable capital assets:

Buildings and improvements	6,208,815
Furniture and equipment	252,822
Less accumulated depreciation	<u>(5,287,604)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>1,174,033</u>

Total capital assets, net of accumulated depreciation 1,358,018

Total assets 2,357,028

TOTAL ASSETS 2,357,028

(continued)

Housing Authority of the Town of St. Martinville
St. Martinville, Louisiana
Statement of Net Position
As of March 31, 2019

LIABILITIES AND NET POSITION**Current Liabilities**

Accounts payable	11,160
Payable to other governments	32,024
Accrued wages payable	5,629
Accrued compensated absences	5,805
Unearned revenue	2,656
Other liability	33,843
Security deposit liability	31,330

Total current liabilities

122,447

Noncurrent liabilities

Accrued compensated absences	15,965
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Total noncurrent liabilities

15,965

TOTAL LIABILITIES

138,412

NET POSITION

Net Investments in Capital Assets	1,358,018
Restricted	-
Unrestricted	860,598

TOTAL NET POSITION

\$ 2,218,616

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

Housing Authority of the Town of St. Martinville
 St. Martinville, Louisiana
 Statement of Revenues, Expenses, and Changes In Net Position
 For the Year Ended March 31, 2019

Operating Revenues	
HUD Operating Grants	\$ 127,282
Dwelling Rental	377,650
Other Operating	<u>82,744</u>
Total operating revenues	<u>587,676</u>
Operating Expenses	
General and administrative	294,950
Repairs and maintenance	244,485
Utilities	124,856
Tenant services	270
Depreciation and amortization	<u>171,456</u>
Total operating expenses	<u>836,017</u>
Operating income (loss)	(248,341)
Nonoperating Revenues (Expenses):	
Interest revenue	2,557
Miscellaneous revenues	<u>5,999</u>
Total nonoperating revenues (expenses)	<u>8,556</u>
Income (loss) before other revenues, expenses, gains, losses and transfers	(239,785)
Capital contributions (grants)	77,804
Increase (decrease) in net position	(161,981)
Net position, beginning of year	<u>2,380,597</u>
Net position, end of year	<u><u>\$ 2,218,616</u></u>

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

Housing Authority of the Town of St. Martinville
Statement of Cash Flows
For the Year Ended March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from federal subsidies	\$ 50,107
Receipts from tenants	461,473
Payments to suppliers	(491,804)
Payments to employees	<u>(172,045)</u>
Net cash provided by operating activities	<u>(152,269)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Miscellaneous revenues	<u>5,999</u>
Net cash provided by noncapital financing activities	<u>5,999</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital grants	77,804
Purchase and construction of capital assets	<u>(131,729)</u>
Net cash (used in) capital and related financing activities	<u>(53,925)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>2,557</u>
Net cash provided by investing activities	<u>2,557</u>
Net increase (decrease) in cash and cash equivalents	<u>(197,638)</u>
Cash and cash equivalents - beginning of year	<u>1,054,550</u>
Cash and Cash equivalents - unrestricted	825,582
Cash and Cash equivalents - restricted	31,330
Total Cash and Cash Equivalents - end of year	<u>\$ 856,912</u>

Reconciliation of operating income (loss) to net cash provided by operating activities:

Operating (loss)	\$ (248,341)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	171,456
Changes in assets and liabilities:	
HUD receivable	(77,175)
Tenant rents, net of allowance	287
Miscellaneous receivables	12
Prepaid insurance	(42,062)
Inventories	4,868
Accounts payable	5,239
Accrued wages payable	4,714
PILOT Payable	465
Accrued compensated absences	961
Unearned revenue	710
Other liability	25,817
Security deposit liability	<u>780</u>
Net cash provided by operating activities	<u>\$ (152,269)</u>

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana
Notes to the Basic Financial Statements
March 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the authority 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.

(1) Reporting Entity

The Housing Authority of The Town of St. Martinville (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the Town of St. Martinville, Louisiana. This formation was contingent upon the approval of the town.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the town and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14, as amended by GASB statement No. 39 and GASB Statement No. 61, establishes criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in the GASB statements, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The authority has no component units, defined by the GASB statements as other legally separate organizations for which the elected authority members are financially accountable.

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Notes to the Financial Statements, 2019 – Continued

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

(2) Funds

The accounts of the 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 is maintained consistent with legal and managerial requirements.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are HUD operating grants and subsidies and tenant dwelling rents. Operating expenses include, General and Administrative expenses, repairs and maintenance expenses, utilities and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, Basic Financial Statements and Managements discussion and Analysis—for State and Local Governments, which was unanimously approved in June 1999 by the GASB.

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Notes to the Financial Statements, 2019 – Continued

(3) Measurement focus and basis of accounting

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 management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

(4) Assets, liabilities, and net position

(a) Deposits and Investments

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

(b) Inventory and prepaid items

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

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

(c) Restricted Assets

Cash equal to the amount of tenant security deposits is reflected as restricted.

(d) Capital assets

Capital assets of the authority are included in the statement of net position and are recorded at actual cost. The capitalization threshold is \$2,000. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Notes to the Financial Statements, 2019 – Continued

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	3-7 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At March 31, 2019, the management of the authority did not establish an allowance for doubtful accounts.

(g) Compensated absences

It is the authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and sick pay is accrued when incurred and reported as a liability.

Depending on length of service, employees earn from 88 to 177 hours per year in annual leave. Employees may accumulate an unlimited number of annual leave hours. Depending on their length of service, employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. The cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as a current year expense when leave is earned

(h) Restricted net position

Restricted net positions are reported as restricted when constraints placed on net positions use are either:

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

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

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Notes to the Financial Statements, 2019 – Continued

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 government-wide financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – DEPOSITS AND INVESTMENTS

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of March 31, 2019, the authority’s carrying amount of deposits was \$856,912, which includes the following:

Cash and cash equivalents-unrestricted	\$825,582
Cash and cash equivalents- restricted	31,330
Cash and cash equivalents	856,912
Investments – U.S. Treasury Securities	10,000
Total	\$866,550

Interest Rate Risk—The authority’s policy does not address interest rate risk.

Credit Rate Risk—Since all of the authority’s deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

Custodial Credit Risk—This is the risk that in the event of a bank failure, the authority’s deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$491,854 of the authority’s total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$441,972 of deposits have custodial credit risk, but were collateralized with securities held by the pledging financial institution trust department or agent. The bank balances at March 31, 2019 totaled \$933,826.

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Notes to the Financial Statements, 2019 – Continued

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended March 31, 2019 was as follows:

	<u>3 31 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>3 31 2019</u>
Nondepreciable Assets:				
Land	\$ 79,570	\$ -	\$ -	\$ 79,570
Construction in Progress	-	104,415	-	104,415
Depreciable Assets:				
Building and improvements	6,648,101	970	440,256	6,208,815
Furniture and equipment	<u>226,478</u>	<u>26,344</u>	<u>-</u>	<u>252,822</u>
Total	<u>6,954,149</u>	<u>131,729</u>	<u>440,256</u>	<u>6,645,622</u>
Less accumulated depreciation				
Building and improvements	5,337,455	163,564	(440,256)	5,060,763
Furniture and equipment	<u>218,949</u>	<u>7,892</u>	<u>-</u>	<u>226,841</u>
Total accumulated depreciation	<u>5,556,404</u>	<u>171,456</u>	<u>(440,256)</u>	<u>5,287,604</u>
Net Capital Assets	<u>\$ 1,397,745</u>	<u>\$ (39,727)</u>	<u>\$ -</u>	<u>\$ 1,358,018</u>

NOTE D – COMPENSATED ABSENCES

At March 31, 2019, employees of the authority have accumulated and vested \$21,771 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$15,965 is reported in long-term debt.

NOTE E – LONG TERM OBLIGATIONS

As of March 31, 2019, long term obligations consisted of compensated absences in the amount of \$15,965. The following is a summary of the changes in the long term obligations for the year ended March 31, 2019.

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Notes to the Financial Statements, 2019 – Continued

	Compensated Absences
Balance as of April 1, 2018	\$20,809
Additions	12,580
Deductions	(11,620)
Balance as of March 31, 2019	<u>21,770</u>
Long Term Portion	<u>15,965</u>
Amount due in one year (Short term)	<u>\$5,805</u>

NOTE F – POST EMPLOYMENT RETIREMENT BENEFITS

The authority does not provide any post employment retirement benefits. Therefore the authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

NOTE G - RETIREMENT PLAN

The authority participates in the Housing Agency Retirement Trust plan, administered by Mercer, 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 authority provides pension benefits for all of its full-time employees. All regular and 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. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 8% percent of each participant’s basic (excludes overtime) compensation. Employees are required to contribute 5.5% percent of their annual covered salary.

The authority’s contribution for each employee and income allocated to the employee’s account are fully vested after five years of continuous service. The authority’s contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Notes to the Financial Statements, 2019 – Continued

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The authority's total payroll for the year ended March 31, 2019, was \$172,045. The authority's contributions were calculated using the base salary amount of \$139,020. The authority made the required contributions of \$11,124 for the year ended March 31, 2019.

NOTE H – RISK MANAGEMENT

The authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The authority's risk management program encompasses obtaining property and liability insurance.

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

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

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE I – FEDERAL COMPLIANCE CONTINGENCIES

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries. The authority is subject to HUD's consideration of reducing grants in order to have the authority utilize authority Equity to fund expenses.

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana

Notes to the Financial Statements, 2019 – Continued

NOTE J – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through July 17, 2019 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE K – ECONOMIC DEPENDENCE

Financial Accounting Standards Boards Accounting Standards Codification 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$205,086 to the authority, which represents approximately 30% of the authority's total revenue for the year.

Financial Data Schedule

Housing Auth. of The Town of St. Martinville (LA040)
 SAINT MARTINVILLE, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2019

	Project Total	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$825,582	\$825,582		\$825,582
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits	\$31,330	\$31,330		\$31,330
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$856,912	\$856,912	\$0	\$856,912
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$77,523	\$77,523		\$77,523
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$2,050	\$2,050		\$2,050
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable	\$133	\$133		\$133
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$79,706	\$79,706	\$0	\$79,706
131 Investments - Unrestricted	\$10,000	\$10,000		\$10,000
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$48,658	\$48,658		\$48,658
143 Inventories	\$3,931	\$3,931		\$3,931
143.1 Allowance for Obsolete Inventories	-\$197	-\$197		-\$197
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$999,010	\$999,010	\$0	\$999,010
161 Land	\$79,570	\$79,570		\$79,570
162 Buildings	\$5,368,495	\$5,368,495		\$5,368,495
163 Furniture, Equipment & Machinery - Dwellings	\$126,180	\$126,180		\$126,180
164 Furniture, Equipment & Machinery - Administration	\$126,642	\$126,642		\$126,642
165 Leasehold Improvements	\$840,320	\$840,320		\$840,320
166 Accumulated Depreciation	-\$5,287,604	-\$5,287,604		-\$5,287,604
167 Construction in Progress	\$104,415	\$104,415		\$104,415
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,358,018	\$1,358,018	\$0	\$1,358,018
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$1,358,018	\$1,358,018	\$0	\$1,358,018
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$2,357,028	\$2,357,028	\$0	\$2,357,028

Financial Data Schedule

Housing Auth. of The Town of St. Martinville (LA040)
 SAINT MARTINVILLE, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2019

	Project Total	Subtotal	ELIM	Total
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$11,160	\$11,160		\$11,160
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$5,629	\$5,629		\$5,629
322 Accrued Compensated Absences - Current Portion	\$5,805	\$5,805		\$5,805
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$32,024	\$32,024		\$32,024
341 Tenant Security Deposits	\$31,330	\$31,330		\$31,330
342 Unearned Revenue	\$2,656	\$2,656		\$2,656
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities	\$27,581	\$27,581		\$27,581
346 Accrued Liabilities - Other	\$6,262	\$6,262		\$6,262
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$122,447	\$122,447	\$0	\$122,447
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current	\$15,965	\$15,965		\$15,965
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$15,965	\$15,965	\$0	\$15,965
300 Total Liabilities	\$138,412	\$138,412	\$0	\$138,412
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$1,358,018	\$1,358,018		\$1,358,018
511.4 Restricted Net Position				
512.4 Unrestricted Net Position	\$860,598	\$860,598		\$860,598
513 Total Equity - Net Assets / Position	\$2,218,616	\$2,218,616	\$0	\$2,218,616
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,357,028	\$2,357,028	\$0	\$2,357,028

Financial Data Schedule

Housing Auth. of The Town of St. Martinville (LA040)
 SAINT MARTINVILLE, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2019

	Project Total	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$377,650	\$377,650		\$377,650
70400 Tenant Revenue - Other	\$82,744	\$82,744		\$82,744
70500 Total Tenant Revenue	\$460,394	\$460,394	\$0	\$460,394
70600 HUD PHA Operating Grants	\$127,282	\$127,282		\$127,282
70610 Capital Grants	\$77,804	\$77,804		\$77,804
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue		\$0	\$0	\$0
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$2,557	\$2,557		\$2,557
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$5,999	\$5,999		\$5,999
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$674,036	\$674,036	\$0	\$674,036
91100 Administrative Salaries	\$92,374	\$92,374		\$92,374
91200 Auditing Fees	\$13,815	\$13,815		\$13,815
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing	\$300	\$300		\$300
91500 Employee Benefit contributions - Administrative	\$32,710	\$32,710		\$32,710
91600 Office Expenses	\$18,170	\$18,170		\$18,170
91700 Legal Expense				
91800 Travel	\$4,844	\$4,844		\$4,844
91810 Allocated Overhead				
91900 Other	\$7,891	\$7,891		\$7,891
91000 Total Operating - Administrative	\$170,104	\$170,104	\$0	\$170,104
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$270	\$270		\$270
92500 Total Tenant Services	\$270	\$270	\$0	\$270

Financial Data Schedule

Housing Auth. of The Town of St. Martinville (LA040)
 SAINT MARTINVILLE, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2019

	Project Total	Subtotal	ELIM	Total
93100 Water	\$18,008	\$18,008		\$18,008
93200 Electricity	\$89,339	\$89,339		\$89,339
93300 Gas	\$436	\$436		\$436
93400 Fuel				
93500 Labor				
93600 Sewer	\$17,073	\$17,073		\$17,073
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$124,856	\$124,856	\$0	\$124,856
94100 Ordinary Maintenance and Operations - Labor	\$79,671	\$79,671		\$79,671
94200 Ordinary Maintenance and Operations - Materials and Other	\$59,072	\$59,072		\$59,072
94300 Ordinary Maintenance and Operations Contracts	\$87,161	\$87,161		\$87,161
94500 Employee Benefit Contributions - Ordinary Maintenance	\$15,221	\$15,221		\$15,221
94000 Total Maintenance	\$241,125	\$241,125	\$0	\$241,125
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$33,181	\$33,181		\$33,181
96120 Liability Insurance	\$9,955	\$9,955		\$9,955
96130 Workmen's Compensation	\$11,319	\$11,319		\$11,319
96140 All Other Insurance	\$9,723	\$9,723		\$9,723
96100 Total insurance Premiums	\$64,178	\$64,178	\$0	\$64,178
96200 Other General Expenses	\$548	\$548		\$548
96210 Compensated Absences	\$12,817	\$12,817		\$12,817
96300 Payments in Lieu of Taxes	\$32,024	\$32,024		\$32,024
96400 Bad debt - Tenant Rents	\$15,279	\$15,279		\$15,279
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$60,668	\$60,668	\$0	\$60,668
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$661,201	\$661,201	\$0	\$661,201
97000 Excess of Operating Revenue over Operating Expenses	\$12,835	\$12,835	\$0	\$12,835

Financial Data Schedule

Housing Auth. of The Town of St. Martinville (LA040)
 SAINT MARTINVILLE, LA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2019

	Project Total	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$3,360	\$3,360		\$3,360
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$171,456	\$171,456		\$171,456
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$836,017	\$836,017	\$0	\$836,017
10010 Operating Transfer In	\$9,466	\$9,466	-\$9,466	\$0
10020 Operating transfer Out	-\$9,466	-\$9,466	\$9,466	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$161,981	-\$161,981	\$0	-\$161,981
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	\$2,380,597	\$2,380,597		\$2,380,597
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0		\$0
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	1488	1488		1488
11210 Number of Unit Months Leased	1430	1430		1430
11270 Excess Cash	\$769,071	\$769,071		\$769,071
11610 Land Purchases	\$0	\$0		\$0
11620 Building Purchases	\$77,804	\$77,804		\$77,804
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0	\$0		\$0
11660 Infrastructure Purchases	\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0	\$0		\$0

Housing Authority of St. Martinville

Schedule of Compensation, Benefits and Other Payments to Agency Head

or Chief Executive Officer

For the Year Ended March 31, 2019

Larry Pratt, Executive Director

Purpose	Amount
Salary	\$50,217
Benefits-insurance	11,467
Benefits-retirement	4,017
Car allowance	1,500
Travel	70
Per diem	1,806
Registration fees	\$1,300

**HOUSING AUTHORITY OF THE
TOWN OF ST. MARTINVILLE**

St. Martinville, Louisiana

Schedule of Compensation Paid to Board Members
Fiscal Year Ended March 31, 2019

Board members serve without compensation.

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American Institute of CPA's

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of St. Martinville Housing Authority and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by St. Martinville Housing Authority (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 April 1, 2018 through March 31, 2019. The 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, I 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:

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 procedures performed:

I reviewed the written policy for each of the above listed functions and noted no exceptions. I note that debt service does not apply.

Debt Service – N/A

Board (or Finance Committee, if applicable)

- 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.

- 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 procedures performed:

- a] **The board met in accordance with the PHA by-laws.**
- b] **The minutes included monthly budget to actual comparisons of the general fund.**
- c] **The prior year report did not report a negative unrestricted fund balance.**

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:

Management represents that the list is complete.

- 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 procedures performed:

- a] **No exceptions noted**
- b] **No exceptions noted**
- c] **No exceptions noted**

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).

Management represents that the list is complete.

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.

We performed the above listed procedures and noted no exceptions.

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

Management asserted that all employees with access to cash are covered by insurance.

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.

We performed the above listed procedures and noted no exceptions.

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).

Management represents that the list is complete.

- 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.

We performed the above listed procedures and noted no exceptions.

- 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

We performed the above listed procedures and noted no exceptions.

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.
- 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.
- 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).

There were no Year 1 exceptions in this category, these procedures 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:

Management represents that the list is complete.

- 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).

No exceptions noted

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted

- 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).

No exceptions noted

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

There were no Year 1 exceptions in this category, these procedures are omitted.

Payroll and Personnel

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

There were no Year 1 exceptions in this category, these procedures are omitted.

Ethics

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

There were no Year 1 exceptions in this category, these procedures are omitted.

Debt Service

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

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.

Not applicable.

Other

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

Management represents that they are not aware of any misappropriation 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.

The notice is properly posted.

I was 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, I do not express such an opinion or conclusion. Had I 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.

William Daniel McCaskill

William Daniel McCaskill, CPA
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Mandeville, Louisiana

July 17, 2019

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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards***

Board of Commissioners
Housing Authority of the Town of St. Martinville
St. Martinville, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the Town of St. Martinville, as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the authority's basic financial statements, and have issued my report thereon dated July 17, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE

St. Martinville, Louisiana
Report on Internal Control... *Government*
Auditing Standards, 2019
Page Two

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

July 17, 2019

**HOUSING AUTHORITY OF THE
TOWN OF ST. MARTINVILLE**

St. Martinville, Louisiana

Schedule of Findings
Fiscal Year Ended March 31, 2019

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified? _____yes X none reported

Noncompliance material to financial statements
noted? _____yes X no

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**HOUSING AUTHORITY OF THE
TOWN OF ST. MARTINVILLE**

St. Martinville, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended March 31, 2019

There were no findings in the prior audit.