

HOUSING AUTHORITY OF PATTERSON, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED JUNE 30, 2017

Mike Estes, P.C.
A Professional Accounting Corporation

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

Independent Auditor's Report

Board of Commissioners
Housing Authority of Patterson
Patterson, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the City of Patterson, Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017 on our consideration of the Housing Authority of the City of Patterson, 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 Patterson, Louisiana's internal control over financial reporting and compliance.



Mike Estes, P.C.
Fort Worth, Texas
December 29, 2017

Housing Authority of the Town of Patterson, Louisiana
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2017

As management of the Housing Authority of the Town of Patterson (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial performance for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Our financial report is designed to (a) assist the reader in focusing on significant financial issues, (b) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (c) identify individual program issues or concerns. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the Town of Patterson, P. O. Box 10, Patterson, Louisiana 70392.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the 2017 fiscal year by \$1,536,200 (*net position*). Of this amount, \$257,156 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Authority's net position of \$1,536,200 reported at the 2017 fiscal year end represented a decrease of \$2,276 as compared to the 2016 fiscal year ending net position balance of \$1,536,200.
- In 2017, operating revenues decreased \$20,783 as compared to 2016. Non-operating revenue increased \$93,406, from a total ending balance of \$61,227 in 2016 to an ending balance of \$155,131 in 2017.
- Total expenses decreased \$77,142, representing an 10% decrease from \$808,907 in fiscal year 2016 to \$731,765 in fiscal year 2017.
- The Authority had intergovernmental revenue of \$242,333 in operating subsidies from the Department of Housing and Urban Development (HUD), \$1,776 in operating grants, and \$166,481 in capital grants for the fiscal year ended June 30, 2017.

Overview of Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Authority's net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy. Department of Housing and Urban Development mandated program administrative changes, and the physical condition of capital assets.

Housing Authority of the Town of Patterson, Louisiana
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2017

Overview of Financial Statements (continued)

The following statements are included:

- **Statement of Net Position** – this statement reports the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at the end of the fiscal year. You can think of the Authority's net position as the difference between what the Authority owns (assets and deferred outflows of resources) and what the Authority owes (liabilities and deferred inflows of resources).
- **Statement of Revenues, Expenses, and Changes in Net Position** – this statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in future periods.
- **Statement of Cash Flows** – this statement presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt service, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Authority in prior periods and subsequently received during the current fiscal year (i.e. accounts receivable).
- **Notes to the Basic Financial Statements** – notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided. These notes provide greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information provides additional detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

Continued on next page

Housing Authority of the Town of Patterson, Louisiana
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2017

Financial Analysis

Statement of Net Position

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>Total Change</u>
Assets			
Current assets	\$ 353,537	\$ 329,620	\$ 23,917
Capital assets, net of depreciation	<u>1,279,044</u>	<u>1,298,844</u>	<u>(19,800)</u>
Total Assets	<u>\$ 1,632,581</u>	<u>\$ 1,628,464</u>	<u>\$ 4,117</u>
Liabilities			
Current liabilities	\$ 81,106	\$ 74,246	\$ 6,860
Long-term liabilities	<u>15,275</u>	<u>15,742</u>	<u>(467)</u>
Total Liabilities	<u>96,381</u>	<u>89,988</u>	<u>6,393</u>
Net Position:			
Net investment in capital assets	1,279,044	1,298,844	(19,800)
Unrestricted net position	<u>257,156</u>	<u>239,632</u>	<u>17,524</u>
Total Net Position	<u>1,536,200</u>	<u>1,538,476</u>	<u>(2,276)</u>
Total Liabilities and Net Position	<u>\$ 1,632,581</u>	<u>\$ 1,628,464</u>	<u>\$ 4,117</u>

Total Assets at the end of the 2017 fiscal year were \$1,632,581 as compared to \$1,628,464 at the June 2016 year end, amounting to an overall increase of \$4,117.

Current Assets increased \$23,917 during the 2017 fiscal year. Receivables decreased \$3,993, while cash balances increased \$24,316 and other current assets increased by \$3,594.

Net Capital Assets decreased by \$19,800 as seen on page six. Although the Authority invested \$153,901 in capital outlays, current depreciation expenses lowered the value of net capital assets by \$173,701. So, the decrease in net capital assets is the function of current depreciation exceeding capital outlays.

Current Liabilities increased \$6,860 due to increases totaling \$16,228 in unearned revenue from operating subsidies, other accrued liabilities and tenant security deposits. These increases were offset by decreases totaling \$9,368 in accrued wage taxes and vendors payable as well as accrued compensated absences at the 2017 fiscal year end.

Long Term Liabilities decreased \$467 in accrued compensated absences payable.

Housing Authority of the Town of Patterson, Louisiana
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2017

Financial Analysis (continued)

Net Position – The difference between an organization's assets and its liabilities is its net position. Net position is categorized as one of three types.

1. Net Investment in capital assets – capital assets, net of accumulated depreciation and related debt, is due to the capital asset and long-term debt activity;
2. Restricted – the Authority's net position whose use is subject to constraints imposed by law or agreement consisting primarily of debt service reserves;
3. Unrestricted – the Authority's net position that is neither invested in capital assets nor restricted which increase is principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors.

Continued on next page

Housing Authority of the Town of Patterson, Louisiana
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2017

Statement of Revenue, Expenses and Changes in Net Position

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>Net Change</u>
Revenues:			
Operating revenues:			
Public housing operating subsidy	\$ 242,333	\$ 242,274	\$ 59
Operating grants	14,356	25,596	(11,240)
Tenant revenue - rents and other income	317,669	327,271	(9,602)
Non-operating revenues:			
Capital grants	153,901	60,495	93,406
Interest revenue	910	732	178
Miscellaneous revenue	320	-	320
Total revenues	<u>729,489</u>	<u>656,368</u>	<u>73,121</u>
Expenses:			
General and Administrative	265,787	259,950	5,837
Repairs and Maintenance	206,715	270,743	(64,028)
Utilities	85,562	89,247	(3,685)
Depreciation expense	173,701	188,967	(15,266)
Total expenses	<u>731,765</u>	<u>808,907</u>	<u>(77,142)</u>
Increase / (Decrease) in Net Position	(2,276)	(152,539)	150,263
Net Position - July 1	1,538,476	1,691,015	(152,539)
Net Position - June 30	<u>\$ 1,536,200</u>	<u>\$ 1,538,476</u>	<u>\$ (2,276)</u>

Total Operating Revenues decreased six percent in fiscal year 2017 by \$20,783, as compared to fiscal year 2016. Tenant revenue earned in fiscal year 2017 was \$9,602 less than the prior fiscal year. HUD revenue will often vary from year to year since it is dependent on the federal budget (operating subsidy) and availability and/or use of grant revenues. In 2017, the Authority received \$59 more in operating subsidy revenues, as compared to 2016, due to changes in the various calculation factors used by HUD. The operating grant revenue disbursed from HUD's Capital Fund Program is recognized whenever the funds are expended. The Authority expended \$11,240 less CFP operating grant revenue in 2017 than in 2016.

Non-operating Revenues increased by \$93,904 primarily because the Authority expended \$93,406 more in capital grant revenue in 2017 than in 2016 on capital improvements.

**Housing Authority of the Town of Patterson, Louisiana
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2017**

Expenses are categorized by the Authority as general and administrative, repairs and maintenance, utilities and depreciation expense. The decrease of \$77,142 in total expenses is attributable to decreases in each one of these categories.

General and Administrative Expenses increased by \$5,837. The Authority experienced decreases of \$267 in administrative expenditures which were offset by \$4,585 in increased administrative wages. Compensated absences decreased \$2,348 and PILOT decreased \$592 while tenant bad debt write-offs increased \$4,037 and insurance expenses increased slightly by \$422.

Repairs and Maintenance Expenses decreased \$64,028 in 2017. In fiscal year 2016, the Authority's maintenance expenditures had increased \$81,492 from the prior fiscal year due to a combination of increases in staffing, maintenance materials costs and contractor expenditures. Those increased maintenance expenditures were relative to costs incurred in the continuation of concentrated efforts on improving units and unit turnaround. During fiscal year 2017, the Authority relied on CFP grants to improve dwelling structures and leasehold improvements at the same time as cutting back on all maintenance expenditures from the LR program in order to reduce budget spending.

Utilities decreased by \$3,685 in fiscal year 2017.

Capital Assets and Debt Administration

The Authority's capital assets as of June 30, 2017 amounted to \$1,279,044 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, furniture and equipment, and accumulated depreciation. The total net decrease in the Authority's capital assets for the current fiscal year was \$19,800.

Housing Authority of the Town of Patterson – Capital Assets

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>Total Change</u>
Land	\$ 166,104	\$ 166,104	\$ 0
Buildings and improvements	6,258,702	6,104,801	153,901
Furniture and equipment	38,996	38,996	0
Subtotal	6,463,802	6,309,901	153,901
Accumulated Depreciation	(5,184,758)	(5,011,057)	(173,701)
Total Capital Assets	<u>\$1,279,044</u>	<u>\$1,298,844</u>	<u>(19,800)</u>

The Authority primarily acquires its assets with the proceeds from federal capital grants. There are no commitments on approved capital asset construction projects at the present time.

Debt

At June 30, 2017, the Authority had non-current liabilities in the form of compensated absences of \$15,275. The Authority did not have any debts in the form of notes or bonds or other long-term payables.

Housing Authority of the Town of Patterson, Louisiana
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2017

Economic Factors

Several factors may affect the financial position of the Authority in the subsequent fiscal year. These factors include:

- Federal funding provided by Congress to the Department of Housing and Urban Development and new rules and regulations, which could be unfunded;
- Local labor supply and demand, which can affect salary and wage rates;
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore tenant rental income;
- Natural disasters which can have a devastating impact on the local economy;
- Inflationary pressure on utility rates, insurance premiums, supplies and other costs;
- Unemployment rates which can have an effect on rent.
- Trends in the current housing market.

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS

Current assets

Cash and cash equivalents	\$ 64,687
Investments	199,765
Accounts receivable net	2,616
Interest receivable	294
Prepaid items and other assets	42,127
Inventory	5,155
Restricted assets - cash and cash equivalents	38,893

Total Current Assets	353,537
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Capital Assets, net

Land and other non-depreciated assets	166,104
Other capital assets - net of depreciation	1,112,940

Total Capital Assets, net	1,279,044
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Total Assets	\$ 1,632,581
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LIABILITIES

Current Liabilities

Accounts payable	\$ 13,448
Unearned income	18,521
Compensated absences payable	5,555
Accrued PILOT	23,210
Deposits due others	20,372

Total Current Liabilities	81,106
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Noncurrent Liabilities

Compensated absences payable	15,275
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Total Liabilities	96,381
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NET POSITION

Net investment in capital assets	1,279,044
Unrestricted	257,156

Net Position	\$ 1,536,200
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The Notes to the Financial Statements are an integral part of these statements.

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

FOR THE YEAR ENDED JUNE 30, 2017

OPERATING REVENUES	
Dwelling rental	\$ 306,226
Governmental operating grants	256,689
Other	11,763
Total Operating Revenues	574,678
OPERATING EXPENSES	
Administration	175,077
Utilities	85,562
Ordinary maintenance & operations	206,715
General expenses	90,710
Depreciation	173,701
Total Operating Expenses	731,765
Income (Loss) from Operations	(157,087)
Non Operating Revenues (Expenses)	
Interest earnings	910
Total Non-Operating Revenues (Expenses)	910
Income (Loss) before contribution	(156,177)
Capital Contribution	153,901
Change in net position	(2,276)
Total net position - beginning	1,538,476
Total net position - ending	\$ 1,536,200

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

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 313,559
Other receipts	13,394
Federal grants	256,689
Payments to vendors	(331,667)
Payments to employees – net	(227,663)
	24,312
Net cash provided (used) by operating activities	24,312
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(153,901)
Federal Capital Grants	153,901
	0
Net cash provided (used) by capital and related financing activities	0
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	804
Purchase of investments	(800)
	4
Net cash provided (used) by investing activities	4
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	24,316
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	79,264
	103,580
CASH AND CASH EQUIVALENTS	
End of Fiscal Year	\$ 103,580

Continued

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

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

Operating income (loss)	\$ (157,087)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	173,701
Change in assets and liabilities:	
Receivables	4,099
Inventories	(1,361)
Prepaid items	(1,433)
Account payables	(8,336)
Unearned income	14,354
Deposits due others	375
	<hr/>
Net cash provided (used) by operations	\$ 24,312
	<hr/> <hr/>

Concluded

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

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

JUNE 30, 2017

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

JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the City of Patterson 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 Patterson, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 1426	104
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

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

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 PATTERSON, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

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

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

JUNE 30, 2017

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$103,580. This is comprised of cash and cash equivalents of \$64,687 and restricted assets – cash of \$38,893, on the statement of net position.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

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

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

JUNE 30, 2017

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	20 years
Building improvements	10 years
Furniture and equipment	5 years

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

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

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

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

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

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

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

JUNE 30, 2017

N. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2017. Deposits are stated at cost, which approximates fair value.

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

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

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

Restricted Cash: \$20,372 is restricted in the General Fund for security deposits. \$18,521 is restricted for an amount equal to unearned revenue and other current liabilities.

At June 30, 2017, the Housing Authority's carrying amount of deposits was \$303,115 and the bank balance was \$379,878, which includes \$199,765 in certificates of deposits classified as investments. Petty cash consists of \$230. The entire bank balance was covered by FDIC Insurance.

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

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 2,616
Total	\$ 2,616

The tenants account receivables is net of an allowance for doubtful accounts of \$746.

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

JUNE 30, 2017

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

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 166,104	\$ 0	\$ 0	\$ 166,104
Depreciable assets:				
Buildings	6,104,801	153,901	0	6,258,702
Furniture and equipment	38,996	0	0	38,996
Total capital assets	6,309,901	153,901	0	6,463,802
Less: accumulated depreciation				
Buildings	4,975,037	171,925	0	5,146,962
Furniture and equipment	36,020	1,776	0	37,796
Total accumulated depreciation	5,011,057	173,701	0	5,184,758
Total capital assets, net	\$ 1,298,844	\$ (19,800)	\$ 0	\$ 1,279,044

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

Vendors	\$ 1,516
Payroll taxes & Retirement withheld	3,367
Utilities	8,565
Total	\$ 13,448

NOTE 6 – COMPENSATED ABSENCES At June 30, 2017, employees of the Housing Authority have accumulated and vested \$20,830 of employee leave computed in accordance with GASB, Codification Section C60.

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

JUNE 30, 2017

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

		Compensated Absences
Balance, beginning	\$	21,466
Additions		1,258
Deletions		1,894
Balance, ending		20,830
Amounts due in one year	\$	5,555

NOTE 8 – RETIREMENT SYSTEM The Housing Authority participates in a defined contribution plan. 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 attaining age 18 and completing three months of continued 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 4% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 6 ½% 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 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 \$14,085 for the year ended June 30, 2017, of which \$8,719 was paid by the Housing Authority and \$5,366 was paid by employees. No payments were made out of the forfeiture account.

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

JUNE 30, 2017

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments On December 28, 2010, the Authority entered into an Employment Agreement with the Executive Director. The agreement was for five years. In December 2015, the Agreement was extended for five years. The Executive Director is also entitled to payment of her accrued annual leave upon her termination of employment for any reason.

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, 2017. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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

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

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

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$410,590 to the Housing Authority, which represents approximately 56% of the Housing Authority's total revenue and capital contributions for the year.

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

JUNE 30, 2017

NOTE 11 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, December 29, 2017, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.



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AUDIT QUALITY CENTER

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

Independent Auditor's Report

Housing Authority of Patterson
Patterson, 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 Patterson, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Patterson, Louisiana's basic financial statements, and have issued our report thereon dated December 29, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Patterson, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
December 29, 2017

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

YEAR ENDED YEAR ENDED JUNE 30, 2017

Section I – Summary of the Auditor’s Results

Financial Statement Audit

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

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

YEAR ENDED JUNE 30, 2017

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

None

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2017

There were no audit findings.

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

YEAR ENDED JUNE 30, 2017

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

There were no prior audit findings.

SUPPLEMENTARY INFORMATION

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

YEAR ENDED JUNE 30, 2017

		2014 Capital Fund
Funds approved	\$	120,551
Funds expended		120,551
Excess of funds approved	\$	0
<hr style="border-top: 3px double #000;"/>		
Funds advanced	\$	120,551
Funds expended		120,551
Excess (Deficiency) of funds advanced	\$	0
<hr style="border-top: 3px double #000;"/>		

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated September 30, 2016 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

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

YEAR ENDED JUNE 30, 2017

CASH BASIS

	2015 Capital Fund	2016 Capital Fund
Funds approved	\$ 122,873	\$ 127,899
Funds expended	106,657	50,859
Excess of funds approved	\$ 16,216	\$ 77,040
Funds advanced	\$ 106,657	\$ 50,859
Funds expended	106,657	50,859
Excess (Deficiency) of funds advanced	\$ 0	\$ 0

See accountants' report

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

YEAR ENDED JUNE 30, 2017

Agency Head Name: Susan Mendoza, Executive Director

Purpose	Amount
Salary	\$ 57,918
Benefits-insurance	9,304
Benefits-retirement	314
Benefits	
Car allowance	
Vehicle provided by government	
Per diem	300
Reimbursements	
Travel	297
Registration fees	500
Conference travel	
Continuing professional education fees	
Housing	981
Unvouchered expenses*	
Special meals	
Total	\$ 69,614

See accountants' report

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

YEAR ENDED JUNE 30, 2017

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 242,333
Capital Fund Program	14.872	168,257
Total United States Department of Housing and Urban Development		\$ 410,590
Total Expenditures of Federal Awards		\$ 410,590

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED JUNE 30, 2017

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the City of Patterson, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

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

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

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 256,689
Capital contributions	153,901
	\$ 410,590

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.



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AGREED UPON PROCEDURES REPORT

Independent Accountant's Report On Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Patterson 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, 2016 through June 30, 2017. The Patterson 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits

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

Results of Testing:

The Authority has policies for Budgeting, Purchasing, Disbursements, Personnel, Credit Cards, and Travel and Expense Reimbursement. The Authority also has other policies that are required by HUD. For the policies for Receipts, Payroll, Contracting, and Ethics [Debt service is not applicable], we have directed Management to the policies listed under the Best Practices on the LLA's website. In addition, we have provided example of all the policies listed above. The policies must be drafted to the Authority's particular situation.

- a) Budgeting-We also note that since the expenditures per the audit year exceeded \$500,000, a notice should have been published with the proper information at least 10 days prior to a public hearing. This was not done. A public hearing was held. The Board of Commissioners reviewed and approved the operating budget on April 26, 2016.
- b) Ethics- As required by State Ethics laws as noted above, the Authority did not obtain the required signatures from all employees and board members that they had read the Authority's Ethics policy.

Corrective Action Response:

I am Susie Mendoza, Executive Director and Designated Person to respond to these AUP suggestions. We will make the policy changes noted above, and adopt and/or revise the policies noted above. We will timely publish a notice about the public hearing to consider and approve the operating budget. We will adopt an Ethics policy, and require the annual signature that the board members and employees have read the policy.

Board

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

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

Results of Testing:

- a) The Authority's by-laws state "regular meetings may be held without notice at such time and place as may from time to time be determined by Resolution of the Authority."
- b) Although the board minutes reflect that the board reviewed various financial aspects, budget-to-actual comparisons of the General Fund were not noted.
- c) The minutes reflect that non-budgetary information was reviewed at every meeting.

The minutes should reflect that the board reviewed budget-to-actual comparisons at each meeting. The financial statements should not be more than 90 days old, preferably less.

Corrective Action Response:

We will do as the auditor suggests.

Bank Reconciliations

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

Results of Testing:

We reviewed Management's representation that the list was complete.

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

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results of Testing:

- a) Bank reconciliations have been prepared.
- b) Bank reconciliations include evidence that a member of management with no involvement in the transactions associated with the bank account has reviewed each bank reconciliation.
- c) There were no reconciling items older than six months.

Collections

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

Results of Testing:

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

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

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results of Testing:

- a) The employees that accept payments are bonded. The persons that accept payments do not make the bank deposits or reconciles the cash account.
- b) Written documentation exists that there is a process to reconcile cash collections to the general ledger and rental register by a person who is not responsible for cash collections.
- c) For the highest week of collection, all deposits were made on the same day.

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

Results of Testing:

The Authority has a documented process to determine completeness of all collections, for each revenue source by a person who is not responsible for collections.

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

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

Results of Testing:

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

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

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

Results of Testing:

- a) For the 25 disbursements tested, we noted two to one regular vendor that did not use a purchase order. Management claims that they may visit this place multiple times a day to buy maintenance supplies that often have costs of a dollar or two. We recommend that the Authority establish one purchase order that is good for an entire month.
- b) Purchase orders for the others tested were approved by a person who did not initiate the purchase.
- c) The check that the goods received agree to the goods purchased needs improvement. Usually the goods per the invoice had a manual check mark besides the item. However, there should be a signature or initials and date on the invoice, and the marks circled. This will signify that the signer agreed the goods ordered to the original purchase order.

Corrective Action Response:

We will do as the auditor suggests.

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

Results of Testing:

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

Corrective Action Response:

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

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

Results of Testing:

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

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

Results of Testing:

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

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

Results of Testing:

Neither a signature stamp nor a signature is used.

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

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

Results of Testing:

Management represented that the list was complete.

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

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

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

Results of Testing:

- a) The Authority only uses only one charge card. There was no documentation that the monthly statement was reviewed.
- b) No finance charges and/or late fees were assessed on the statements tested.

As noted in below in #16, there were limited charges to just one card. The E.D. represents that she examined all charges. However, the review should be documented in writing. We suggest that when the E.D. reviews the charges, she signify this by signing or initialing and dating in the right hand corner of the invoice, and draw a square around it,

Corrective Action Response:

We will do as the auditor suggests.

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

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

Results of Testing:

- a) The highest monthly amount was \$547.47. All but one charge was for gasoline. The other was for a small tool. The individual receipts were attached, but there was no documentation that the individual charges were reviewed.
- b) For each transaction tested, the transaction was in compliance with the Authority's Disbursements Policy. All amounts tested were under the Micro Purchase amount level.
- c) For each transaction tested, the transaction was in compliance with the requirements of Article 7, Section 14 of the Louisiana Constitution.

The Executive Director should individually initial or sign and date each charge, or by some other method indicate that each charge was reviewed. For charges made by the Executive Director, either the office assistant of the Maintenance Head should document in writing that the charge has been reviewed [square used to be different than the circle recommended in 9[c] that signifies that goods received were matched to the goods ordered].

Corrective Action Response:

We will do as the auditor suggests.

Travel and Expense Reimbursement

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

Results of Testing:

Management represented that the list was complete.

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

Results of Testing:

The Authority's Travel Policy says the per diem in state will be \$50 in state and \$60 out of state. This likely will be less than the gsa.gov rate. However, the Authority will adopt or revise its Travel Policy as noted in #1 above.

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

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

Results of Testing:

- a) All three persons tested for travel received meals and incidental per diem [M-IE] of \$50 per day, in accordance with the Authority's policy, as noted above.

- b) All reimbursements were properly supported and the business purpose was clear.
- c) No payments were noted that were not in accordance with Article 7, Section 14, of the Louisiana Constitution.
- d) Each disbursement tested was reviewed and approved in writing by someone other than the person receiving the disbursement.

Contracts

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

Results of Testing:

Management represented that the list was complete.

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

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

Results of Testing:

- a) Written contracts supported the amounts paid.
- b) Payments to the contractor most paid exceeded \$139,000. An Invitation to Bid was published. Sealed bids were obtained.

The payments to the second largest contractor were in the \$16,000 range. Other bids were not obtained.

The payments to the third and fourth largest vendors were for professional services to two different firms. HUD regulations require the PHA to request proposals for professional services at least every sixth year [professional contracts cannot be extended more than five years]. The Authority has not solicited other proposals in the last five years for either service.

The payments to the fifth largest vendor was also for professional services. The Authority correctly solicited Requests for Proposals.

When contracts for the above professional services need to be renewed, the Authority should solicit Request for Proposals and evaluate based on criteria. The Authority should document their efforts to obtain other bids to the fullest extent possible.

Corrective Action Response:

We will follow the auditor's recommendation.

Payroll and Personnel

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

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

Results of Testing:

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

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

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

Results of Testing:

- a) All employees tested documented their daily attendance and leave.
- b) Written documentation was present that supervisors approved the attendance and leave of the tested employees.
- c) Written documentation was present that the entity maintains written leave records.

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

Results of Testing:

No termination payments were made during the audit year.

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

Results of Testing:

No exceptions were noted in the tests noted above.

Ethics (excluding nonprofits)

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

Results of Testing:

Documentation of ethics training for the Executive Director and the Office [Confidential] Assistant was obtained during the audit year. The Maintenance Supervisor and four Board Commissioners obtained documentation after the end of the audit year. The Laborer and Grass Cutter have not obtained ethics training.

Management should seek guidance whether ethics training is needed for the Laborer and Grass Cutter [as the auditor, we will review this also]. Required personnel should continue to obtain annual ethics training.

Corrective Action Response

We will follow the auditor’s suggestion.

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

Results of Testing:

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

Debt Service (excluding nonprofits)

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

Results of Testing:

Not applicable.

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

Results of Testing:

Not applicable.

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

Results of Testing:

Not applicable.

Other

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

Results of Testing:

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

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

Results of Testing:

The notice was properly posted.

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

Results of Testing:

No exceptions to management's representations were noted.

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
December 29, 2017

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Balance Sheet Summary			
	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$64,687	\$64,687	\$64,687
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted	\$18,521	\$18,521	\$18,521
114 Cash - Tenant Security Deposits	\$20,372	\$20,372	\$20,372
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$103,580	\$103,580	\$103,580
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	\$3,362	\$3,362	\$3,362
126.1 Allowance for Doubtful Accounts - Tenants	-\$746	-\$746	-\$746
126.2 Allowance for Doubtful Accounts - Other			
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable	\$294	\$294	\$294
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,910	\$2,910	\$2,910
131 Investments - Unrestricted	\$199,765	\$199,765	\$199,765
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$42,127	\$42,127	\$42,127
143 Inventories	\$5,155	\$5,155	\$5,155
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$353,537	\$353,537	\$353,537
161 Land	\$166,104	\$166,104	\$166,104
162 Buildings	\$5,394,367	\$5,394,367	\$5,394,367
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration	\$38,996	\$38,996	\$38,996
165 Leasehold Improvements	\$864,335	\$864,335	\$864,335
166 Accumulated Depreciation	-\$5,184,758	-\$5,184,758	-\$5,184,758
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,279,044	\$1,279,044	\$1,279,044
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	\$1,279,044	\$1,279,044	\$1,279,044
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$1,632,581	\$1,632,581	\$1,632,581

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Balance Sheet Summary			
	Project Total	Subtotal	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$1,516	\$1,516	\$1,516
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$3,367	\$3,367	\$3,367
322 Accrued Compensated Absences - Current Portion	\$5,555	\$5,555	\$5,555
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$23,210	\$23,210	\$23,210
341 Tenant Security Deposits	\$20,372	\$20,372	\$20,372
342 Unearned Revenue	\$18,521	\$18,521	\$18,521
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other	\$8,565	\$8,565	\$8,565
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$81,106	\$81,106	\$81,106
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	\$15,275	\$15,275	\$15,275
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$15,275	\$15,275	\$15,275
300 Total Liabilities	\$96,381	\$96,381	\$96,381
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$1,279,044	\$1,279,044	\$1,279,044
511.4 Restricted Net Position	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$257,156	\$257,156	\$257,156
513 Total Equity - Net Assets / Position	\$1,536,200	\$1,536,200	\$1,536,200
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,632,581	\$1,632,581	\$1,632,581

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$306,226		\$306,226
70400 Tenant Revenue - Other	\$11,443		\$11,443
70500 Total Tenant Revenue	\$317,669	\$0	\$317,669
70600 HUD PHA Operating Grants	\$242,333	\$14,356	\$256,689
70610 Capital Grants		\$153,901	\$153,901
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$910		\$910
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	\$320		\$320
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$561,232	\$168,257	\$729,489
91100 Administrative Salaries	\$88,816		\$88,816
91200 Auditing Fees	\$10,305		\$10,305
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$32,964		\$32,964
91600 Office Expenses	\$26,825		\$26,825
91700 Legal Expense			
91800 Travel	\$1,811		\$1,811
91810 Allocated Overhead			
91900 Other	\$14,356	\$0	\$14,356
91000 Total Operating - Administrative	\$175,077	\$0	\$175,077
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$45,505		\$45,505
93200 Electricity	\$7,186		\$7,186
93300 Gas	\$16,581		\$16,581
93400 Fuel			
93500 Labor			

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93600 Sewer	\$16,290		\$16,290
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$85,562	\$0	\$85,562
94100 Ordinary Maintenance and Operations - Labor	\$82,871		\$82,871
94200 Ordinary Maintenance and Operations - Materials and Other	\$36,466		\$36,466
94300 Ordinary Maintenance and Operations Contracts	\$66,006		\$66,006
94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,372		\$21,372
94000 Total Maintenance	\$206,715	\$0	\$206,715
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$41,533		\$41,533
96120 Liability Insurance	\$9,142		\$9,142
96130 Workmen's Compensation	\$3,492		\$3,492
96140 All Other Insurance	\$4,512		\$4,512
96100 Total insurance Premiums	\$58,679	\$0	\$58,679
96200 Other General Expenses			
96210 Compensated Absences	-\$636		-\$636
96300 Payments in Lieu of Taxes	\$23,210		\$23,210
96400 Bad debt - Tenant Rents	\$9,457		\$9,457
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$32,031	\$0	\$32,031
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$558,064	\$0	\$558,064
97000 Excess of Operating Revenue over Operating Expenses	\$3,168	\$168,257	\$171,425
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$173,629	\$72	\$173,701
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$731,693	\$72	\$731,765

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$14,356		\$14,356
10020 Operating transfer Out		-\$14,356	-\$14,356
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$14,356	-\$14,356	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$156,105	\$153,829	-\$2,276
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,538,476	\$0	\$1,538,476
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1215		1215
11210 Number of Unit Months Leased	1159		1159
11270 Excess Cash	\$160,123		\$160,123
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$150,930	\$150,930
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$2,971	\$2,971
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 PATTERSON, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Revenue and Expense Summary			
	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$306,226	\$306,226	\$306,226
70400 Tenant Revenue - Other	\$11,443	\$11,443	\$11,443
70500 Total Tenant Revenue	\$317,669	\$317,669	\$317,669
70600 HUD PHA Operating Grants	\$256,689	\$256,689	\$256,689
70610 Capital Grants	\$153,901	\$153,901	\$153,901
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$910	\$910	\$910
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	\$320	\$320	\$320
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$729,489	\$729,489	\$729,489
91100 Administrative Salaries	\$88,816	\$88,816	\$88,816
91200 Auditing Fees	\$10,305	\$10,305	\$10,305
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$32,964	\$32,964	\$32,964
91600 Office Expenses	\$26,825	\$26,825	\$26,825
91700 Legal Expense			
91800 Travel	\$1,811	\$1,811	\$1,811
91810 Allocated Overhead			
91900 Other	\$14,356	\$14,356	\$14,356
91000 Total Operating - Administrative	\$175,077	\$175,077	\$175,077
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$45,505	\$45,505	\$45,505
93200 Electricity	\$7,186	\$7,186	\$7,186
93300 Gas	\$16,581	\$16,581	\$16,581
93400 Fuel			
93500 Labor			

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Revenue and Expense Summary			
	Project Total	Subtotal	Total
93600 Sewer	\$16,290	\$16,290	\$16,290
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$85,562	\$85,562	\$85,562
94100 Ordinary Maintenance and Operations - Labor	\$82,871	\$82,871	\$82,871
94200 Ordinary Maintenance and Operations - Materials and Other	\$36,466	\$36,466	\$36,466
94300 Ordinary Maintenance and Operations Contracts	\$66,006	\$66,006	\$66,006
94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,372	\$21,372	\$21,372
94000 Total Maintenance	\$206,715	\$206,715	\$206,715
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$41,533	\$41,533	\$41,533
96120 Liability Insurance	\$9,142	\$9,142	\$9,142
96130 Workmen's Compensation	\$3,492	\$3,492	\$3,492
96140 All Other Insurance	\$4,512	\$4,512	\$4,512
96100 Total insurance Premiums	\$58,679	\$58,679	\$58,679
96200 Other General Expenses			
96210 Compensated Absences	-\$636	-\$636	-\$636
96300 Payments in Lieu of Taxes	\$23,210	\$23,210	\$23,210
96400 Bad debt - Tenant Rents	\$9,457	\$9,457	\$9,457
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$32,031	\$32,031	\$32,031
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$558,064	\$558,064	\$558,064
97000 Excess of Operating Revenue over Operating Expenses	\$171,425	\$171,425	\$171,425
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$173,701	\$173,701	\$173,701
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$731,765	\$731,765	\$731,765

HOUSING AUTHORITY OF PATTERSON, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Revenue and Expense Summary			
	Project Total	Subtotal	Total
10010 Operating Transfer In	\$14,356	\$14,356	\$14,356
10020 Operating transfer Out	-\$14,356	-\$14,356	-\$14,356
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$2,276	-\$2,276	-\$2,276
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,538,476	\$1,538,476	\$1,538,476
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1215	1215	1215
11210 Number of Unit Months Leased	1159	1159	1159
11270 Excess Cash	\$160,123	\$160,123	\$160,123
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$150,930	\$150,930	\$150,930
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$2,971	\$2,971	\$2,971
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0