

**HOUSING AUTHORITY OF NATCHITOCHEs PARISH, 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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AUDIT QUALITY CENTER

## Independent Auditor's Report

Board of Commissioners  
Housing Authority of Natchitoches Parish  
Natchitoches, Louisiana

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

We have audited the accompanying financial statements of each major fund of the Housing Authority of Natchitoches Parish, 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 Natchitoches Parish, Louisiana basic financial statements as listed in the table of contents.

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

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our (1) unmodified audit opinion on the major funds, and (2) qualified audit opinion on the aggregate discretely presented component unit.

***Summary of Opinions***

<b>Opinion Units</b>	<b>Type of Opinion</b>
General Fund	Unqualified
Housing Choice Vouchers Fund	Unqualified
Aggregate Discretely Presented Component Unit	Qualified

***Basis for Qualified Opinion on the Aggregate Discretely Presented Component Unit.***

The financial statements of Assisted and Safe Homes, Inc. have not been audited, and we were not engaged to audit Assisted And Safe Homes, Inc.’s financial statements as part of our audit of the Natchitoches Parish Housing Authority’s basic financial statements. Assisted and Safe Homes, Inc.’s financial activities are included in Natchitoches Parish Housing Authority’s as a discretely presented component unit and represent 100% of Natchitoches Parish Housing Authority’s aggregate discretely presented component units.

***Unqualified Opinions on the Major Funds***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund 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 Natchitoches Parish, Louisiana's basic financial statements. The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other information as listed on the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, and other information as listed on the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017 on our consideration of the Housing Authority of Natchitoches Parish, 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 Natchitoches Parish, Louisiana's internal control over financial reporting and compliance.

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
December 14, 2017

**NATCHITOCHE PARISH HOUSING AUTHORITY, LOUISIANA**

**REQUIRED SUPPLEMENTAL INFORMATION**

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

**The management of Public Housing Authority of Natchitoches Parish, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending June 30, 2017. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.**

## **FINANCIAL HIGHLIGHTS**

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$1,054,517 at the close of the fiscal year ended 2017.
  - ✓ Of this amount \$833,378 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
  - ✓ Also of this amount, \$38,449 of net position is restricted for the Housing Choice Voucher program.
  - ✓ The remainder of \$182,330 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 11% of the total operating expenses of \$1,891,666 for the fiscal year 2017, which means the Authority might be able to operate about 1 months using the unrestricted assets alone, compared to 1 month in the prior fiscal year.
- The Housing Authority's total net position decreased by \$189,712, a 15% decrease from the prior fiscal year 2016.
- The decrease in net position of these funds was accompanied by an increase in cash and cash equivalents of \$10,171.
- The Authority spent \$2,300 on capital asset additions and \$5,000 on construction in progress during the current fiscal year.
- These changes led to a decrease in total assets by \$210,063 and a decrease in total liabilities by \$20,351. As related measure of financial health, there are still over \$5 of current assets covering each dollar of total current liabilities, which compares to \$3 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2017?" The Statement of net position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

### Fund Financial Statements

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

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

### USING THIS ANNUAL REPORT

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

Low Rent Public Housing	\$ 225,429
Public Housing Capital Fund Program	49,736
Housing Choice Vouchers	1,124,823
Total funding received this current fiscal year	<u>\$ 1,399,988</u>

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

### Reporting the Housing Authority's Most Significant Funds

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

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

Natchitoches Parish Housing Authority, LA  
Management's Discussion and Analysis (MD&A)  
June 30, 2017

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**FINANCIAL ANALYSIS**

The Housing Authority's net position was \$1,054,157 as of June 30, 2017. Of this amount, \$833,378 was invested in capital assets, \$182,330 was unrestricted, and \$38,449 in specific assets were restricted for Housing Choice Voucher (HCV) program and tenant security deposits.

**CONDENSED FINANCIAL STATEMENTS**

**Condensed Statement of Net Position  
As of June 30, 2017**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets	\$ 270,682	\$ 374,337
Restricted Assets	47,399	16,946
Capital assets, net of depreciation	833,378	970,239
Total assets	<u>1,151,459</u>	<u>1,361,522</u>
<b>LIABILITIES</b>		
Current liabilities	53,258	103,879
Non-current liabilities	44,044	13,774
Total liabilities	<u>97,302</u>	<u>117,653</u>
<b>NET POSITION</b>		
Invested in capital assets, net of depreciation	833,378	970,239
Net position restricted for the Housing Choice Voucher program	38,449	3,341
Unrestricted net position	182,330	270,289
Total net position	<u>\$ 1,054,157</u>	<u>\$ 1,243,869</u>

Natchitoches Parish Housing Authority, LA  
 Management's Discussion and Analysis (MD&A)  
 June 30, 2017

**CONDENSED FINANCIAL STATEMENTS (Continued)**

The net position of these funds decreased by \$189,712, or by 15%, from those of fiscal year 2016, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

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

	2017	2016
<b>OPERATING REVENUES</b>		
Dwelling rental	\$ 192,978	\$ 201,408
Governmental operating grants	1,390,938	1,363,957
Other	108,522	184,963
	1,692,438	1,750,328
<b>OPERATING EXPENSES</b>		
Administration	393,250	447,718
Utilities	19,197	17,447
Ordinary maintenance & operations	197,520	162,789
Protective services	0	12,945
General expenses	155,573	152,096
Depreciation	144,162	197,552
Housing assistance payments	931,948	984,182
Casualty losses	50,016	0
	1,891,666	1,974,729
Income (Loss) from Operations	(199,228)	(224,401)
Non Operating Revenues (Expenses)		
Interest earnings	466	648
	466	648
Income (Loss) before contribution	(198,762)	(223,753)
Capital Contribution	9,050	87,323
Change in net position	(189,712)	(136,430)
Total net position - beginning	1,243,869	1,380,299
Total net position - ending	\$ 1,054,157	1,243,869

**EXPLANATIONS OF FINANCIAL ANALYSIS**

Compared with the prior fiscal year, total operating and non-operating revenues decreased \$189,712, or by 15%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

Natchitoches Parish Housing Authority, LA  
Management's Discussion and Analysis (MD&A)  
June 30, 2017

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- Total tenant revenue decreased by \$14,695, or by 6% from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes decreased, so rent revenue from these tenants decreased accordingly, lowering the overall total. Included in this decrease is a decrease to Other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) by \$6,265, or by 22%.
- Federal revenues from HUD for operations increased by \$26,981, or by 2% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was an increase in the number of eligible tenants receiving subsidies, so Housing Assistance Grants increased accordingly, lowering the overall total.
- Federal Capital Funds from HUD decreased by \$78,273, or by 90% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2013 through 2016, and submitted a new grant during fiscal year 2017.
- Total other non-operating revenue decreased by \$76,441, or by 41% from that of the prior fiscal year.
- Interest income decreased by \$182, or by 28% from that of the prior fiscal year.

Compared with the prior fiscal year, total operating expenses decreased \$83,063, or by 4%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Depreciation expense decreased by \$53,390, or by 27% from that of the prior fiscal year because some assets became fully depreciated in the prior year.
- Maintenance and repairs increased by \$34,731, or by 14% from that of the prior fiscal year, due to several major factors: Repair staff wages increased by \$8,772, or by 13%, and related employee benefit contributions increased by \$13,259, or by 38%. Also, materials used decreased by \$11,603, but contract labor costs increased by \$24,303.
- General Expenses increased by \$3,477, from that of the prior fiscal year. Payments in lieu of taxes (PILOT) decreased by \$367, or by 2%. PILOT is calculated as a percentage of rent minus utilities and therefore changed proportionately to the changes in each of these. Insurance premiums increased by \$13,962, or by 23%. Whereas other general expenses decreased by \$2,775, or by 68%. Bad debts decreased by \$1,105, or by 7%, and Compensated absences decreased by \$8,468.
- Administrative Expenses decreased by \$54,468, or by 12% from that of the prior fiscal year due to a combination of offsetting factors: Administrative staff salaries decreased by \$22,153, or by 12%, and related employee benefit contributions decreased by \$24,879, or by 24% therefore, total staff salaries and benefit costs decreased by 16%. In addition, audit fees increased by \$869, or by 7%. Finally, staff travel reimbursements increased by \$3,932, or by 98%, office expenses increased by \$2,775, or by 2%, but sundry expenses decreased by \$15,012, or by 61%; therefore, other staff administrative expense decreased by 6%.
- Housing Assistance Payments to landlords decreased by \$52,234, or by 5%, from that of the prior fiscal year.
- Utilities Expense increased by \$1,750, or by 10% from that of the prior fiscal year because water cost increased by \$37, due to an increase in rate by 4%, electricity cost increased by \$1,512, due to an increase in rate by 11%, gas cost increased by \$242, due to an increase in rate by 16%, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$201, or by 6%.

Natchitoches Parish Housing Authority, LA  
 Management's Discussion and Analysis (MD&A)  
 June 30, 2017

- Casualty losses increased by \$50,016 from that of the prior fiscal year.
- Protective services decreased by \$12,945 from that of the prior fiscal year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2017, the Housing Authority had a total cost of \$8,020,559 invested in a broad range of assets and construction in progress from projects funded in 2013 through 2016, listed below. This amount, not including depreciation, represents increases of \$17,300 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation  
 As of June 30, 2017**

	<u>2017</u>	<u>2016</u>
Land	\$ 221,890	\$ 221,890
Construction in progress	5,000	-
Buildings	450,192	611,113
Leasehold improvements	95,084	95,084
Furniture and equipment	61,212	42,152
Total	\$ 833,378	\$ 970,239

As of the end of the 2017 fiscal year, the Authority is still in the process of completing HUD grants of \$341,178 obtained during 2013 through 2015 fiscal years. A total remainder of \$159,088 will be received and \$160,303 will be spent for completing these projects during fiscal year 2018.

**Debt**

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2018 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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

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

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Rhonda Kay, at the Natchitoches Parish Housing Authority, Louisiana; PO Box 255; Natchitoches, LA 71458-0255.

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
STATEMENT OF NET POSITION

JUNE 30, 2017

	General	Housing Choice Voucher	Total Primary Government	Component Unit Assisted and Safe Homes, Inc.	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 33,334	\$ 12,054	45,388	\$ 10,904	\$ 56,292
Investments restricted	147,030	0	147,030	0	147,030
Accounts receivable net	13,860	1,611	15,471	0	15,471
Interest receivable	16	0	16	0	16
Prepaid items and other assets	6,772	5,635	12,407	0	12,407
Inventory	50,370	0	50,370	0	50,370
Restricted assets - cash and cash equivalents	8,950	38,449	47,399	0	47,399
<b>Total Current Assets</b>	<b>260,332</b>	<b>57,749</b>	<b>318,081</b>	<b>10,904</b>	<b>328,985</b>
Capital Assets, net					
Land and other non-depreciated assets	226,890	0	226,890	173,000	399,890
Other capital assets - net of depreciation	606,488	0	606,488	165,541	772,029
<b>Total Capital Assets, net</b>	<b>833,378</b>	<b>0</b>	<b>833,378</b>	<b>338,541</b>	<b>1,171,919</b>
<b>Total Assets</b>	<b>\$ 1,093,710</b>	<b>57,749</b>	<b>1,151,459</b>	<b>\$ 349,445</b>	<b>\$ 1,500,904</b>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 15,501	\$ 937	16,438	\$ 0	\$ 16,438
Unearned income	983	0	983	0	983
Compensated absences payable	8,463	1,046	9,509	0	9,509
Current portion of notes payable	0	0	0	20,157	20,157
Accrued Interest Payable	0	0	0	751	751
Accrued PILOT	17,378	0	17,378	0	17,378
Deposits due others	8,950	0	8,950	0	8,950
<b>Total Current Liabilities</b>	<b>51,275</b>	<b>1,983</b>	<b>53,258</b>	<b>20,908</b>	<b>74,166</b>
Noncurrent Liabilities					
Compensated absences payable	39,199	4,845	44,044	0	44,044
Noncurrent portion of notes payable	0	0	0	267,951	267,951
Noncurrent liabilities	0	0	0	795	795
<b>Total Liabilities</b>	<b>90,474</b>	<b>6,828</b>	<b>97,302</b>	<b>289,654</b>	<b>386,956</b>
<b>NET POSITION</b>					
Net investment in capital assets	833,378	0	833,378	50,433	883,811
Restricted for:					
Unrestricted	169,858	12,472	182,330	9,358	191,688
<b>Net Position</b>	<b>\$ 1,003,236</b>	<b>\$ 50,921</b>	<b>1,054,157</b>	<b>\$ 59,791</b>	<b>\$ 1,113,948</b>

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

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

YEAR ENDED JUNE 30, 2017

	General	Housing Choice Voucher	Total Primary Government	Component Unit Assisted and Safe Home, Inc.	Total
<b>OPERATING REVENUES</b>					
Dwelling rental	\$ 192,978	\$ 0	\$ 192,978	\$ 48,000	\$ 240,978
Governmental operating grants	266,115	1,124,823	1,390,938	0	1,390,938
Other	101,728	6,794	108,522	0	108,522
Total Operating Revenues	<u>560,821</u>	<u>1,131,617</u>	<u>1,692,438</u>	<u>48,000</u>	<u>1,740,438</u>
<b>OPERATING EXPENSES</b>					
Administration	255,965	137,285	393,250	1,530	394,780
Utilities	19,197	0	19,197	0	19,197
Ordinary maintenance & operations	197,520	0	197,520	4,088	201,608
General expenses	147,550	8,023	155,573	3,991	159,564
Depreciation	144,162	0	144,162	5,925	150,087
Housing assistance payments	0	931,948	931,948	0	931,948
Casualty losses-Non capitalized	50,016	0	50,016	0	50,016
Total Operating Expenses	<u>814,410</u>	<u>1,077,256</u>	<u>1,891,666</u>	<u>15,534</u>	<u>1,907,200</u>
Income (Loss) from Operations	<u>(253,589)</u>	<u>54,361</u>	<u>(199,228)</u>	<u>32,466</u>	<u>(166,762)</u>
Non Operating Revenues (Expenses)					
Interest earnings	451	15	466	8	474
Interest expense	0	0	0	(15,602)	(15,602)
Total Non-Operating Revenues (Expenses)	<u>451</u>	<u>15</u>	<u>466</u>	<u>(15,594)</u>	<u>(15,128)</u>
Income (Loss) before contribution	<u>(253,138)</u>	<u>54,376</u>	<u>(198,762)</u>	<u>16,872</u>	<u>(181,890)</u>
Capital Contribution	9,050	0	9,050	0	9,050
Change in net position	<u>(244,088)</u>	<u>54,376</u>	<u>(189,712)</u>	<u>16,872</u>	<u>(172,840)</u>
Total net position - beginning - unadjusted	1,237,324	(3,455)	1,233,869	42,919	1,276,788
Prior period adjustment	10,000	0	10,000	0	10,000
Total net position - beginning adjusted	<u>1,247,324</u>	<u>(3,455)</u>	<u>1,243,869</u>	<u>42,919</u>	<u>1,286,788</u>
Total net position - ending	<u>\$ 1,003,236</u>	<u>\$ 50,921</u>	<u>\$ 1,054,157</u>	<u>\$ 59,791</u>	<u>\$ 1,113,948</u>

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

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017

	General	Housing Choice Voucher	Total Primary Government	Component Unit Assisted and Safe Home,	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Rental receipts	\$ 178,734	\$ 0	\$ 178,734	\$ 48,000	\$ 226,734
Other receipts	62,717	7,591	70,308	27	70,335
Operating insurance proceeds	59,392	0	59,392		59,392
Federal grants	274,901	1,124,824	1,399,725	0	1,399,725
Payments to vendors	(316,490)	(83,670)	(400,160)	(9,609)	(409,769)
Payments to employees – net	(356,817)	(74,669)	(431,486)	0	(431,486)
Payments to private landlords	0	(931,948)	(931,948)	0	(931,948)
Net cash provided (used) by operating activities	(97,563)	42,128	(55,435)	38,418	(17,017)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase assets	(17,299)	0	(17,299)	0	(17,299)
Federal Capital Grants	9,050	0	9,050	0	9,050
Notes payable payments	0	0	0	(16,544)	(16,544)
Interest expenses	0	0	0	(16,031)	(16,031)
Net cash provided (used) by capital and related financing activities	(8,249)	0	(8,249)	(32,575)	(40,824)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest income	474	15	489	8	497
Proceeds from investment maturities	67,515	0	67,515	0	67,515
Net cash provided (used) by investing activities	67,989	15	68,004	8	68,012
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(37,823)	42,143	4,320	5,851	10,171
<b>CASH AND CASH EQUIVALENTS Beginning of Fiscal Year</b>	80,107	8,360	88,467	5,053	93,520
<b>CASH AND CASH EQUIVALENTS End of Fiscal Year</b>	\$ 42,284	\$ 50,503	\$ 92,787	\$ 10,904	\$ 103,691

Continued

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017

	General	Housing Choice Voucher	Total Primary Government	Component Unit Assisted and Safe Home, Inc.	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (253,589)	\$ 54,361	\$ (199,228)	\$ 32,466	\$ (166,762)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation Expense	144,162		144,162	5,925	150,087
Provision of uncollectible accounts	(350)	1,138	788	0	788
Prior period adjustment	10,000	0	10,000		10,000
Change in assets and liabilities:					
Receivables	19,731	(341)	19,390	0	19,390
Inventories	(3,675)	0	(3,675)	0	(3,675)
Prepaid items	(7,364)	843	(6,521)	0	(6,521)
Account payables	(5,095)	(13,873)	(18,968)	27	(18,941)
Unearned income	(1,615)	0	(1,615)	0	(1,615)
Deposits due others	600	0	600	0	600
Accrued PILOT	(368)	0	(368)	0	(368)
Net cash provided (used) by operations	<u>\$ (97,563)</u>	<u>\$ 42,128</u>	<u>\$ (55,435)</u>	<u>\$ 38,418</u>	<u>\$ (17,017)</u>

Concluded

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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HOUSING AUTHORITY OF NATCHITOCHE PARISH, 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 Natchitoches Parish, Louisiana 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 Natchitoches Parish, Louisiana serve staggered multi-year terms.

The Housing Authority has the following units:

	<u>Number</u>
PHA Owned Housing	92
Section 8	
Housing Choice Vouchers	334

Housing Authority also manages 62 units through management contracts with two separate entities.

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 Natchitoches Parish, Louisiana since the Parish Police Jury of Natchitoches Parish, appoints a voting majority of the Housing Authority’s governing board. The Parish Police Jury of Natchitoches Parish 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, Natchitoches Parish, Louisiana. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of Natchitoches Parish, Louisiana.

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 NATCHITOCHE PARISH, 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 Assisted and Safe Homes, Inc. (the "Organization"), a legally separate entity, is a component unit of the Housing Authority. The members of the Board of Commissioners of the Housing Authority serve on the Board of Directors of the Organization. The Housing Authority's Board of Commissioners maintains a voting majority of the Organization's Board of Directors, and the Housing Authority has the ability to impose its will on the Organization. As a result, the Housing Authority has included the financial statements of Assisted and Safe Homes, Inc. in its financial statements through discrete presentation. The financial position and changes in net assets of Assisted and Safe Homes, Inc. are presented as of and for the year ended December 31, 2015. The separate financial statements of Assisted and Safe Homes, Inc. can be obtained from the Natchitoches Parish Authority, 525 Fourth Street, Natchitoches, Louisiana.

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

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

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

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

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$92,787. This is comprised of cash and cash equivalents of \$45,388 and restricted assets – cash of \$47,399, on the statement of net position.

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

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

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

Definitions:

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

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

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$2,500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	33 years
Buildings	15 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

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

**K. COMPENSATED ABSENCES** The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date. The terms for the new Executive Director, who assumed this position on July 1, 2016 is not limited, per terms of her Employment Agreement, to 300 annual leave hours.

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

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

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

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

**NOTE 2 – DEPOSITS AND INVESTMENTS** The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 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: \$8,950 is restricted in the General Fund for security deposits. \$38,449 is restricted in the Housing Choice Voucher fund for HAP Equity.

At June 30, 2017, the Housing Authority's carrying amount of deposits was \$239,817 and the bank balance was \$268,085, which includes \$147,030 in certificates of deposits classified as investments. Petty cash consists of \$100. The entire of the bank balance was covered by FDIC Insurance.

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

<u>Class of Receivables</u>	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total Primary Government</u>
Local sources:			
Tenants	\$ 0	\$ 1,099	\$ 1,099
Other	12,646	512	13,158
Federal sources:			
Grants	1,214	0	1,214
Total	<u>\$ 13,860</u>	<u>\$ 1,611</u>	<u>\$ 15,471</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$12,024.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets				
Land and buildings	\$ 221,890	\$ 0	\$ 0	\$ 221,890
Construction in progress	0	5,000	0	5,000
Depreciable assets:				
Buildings	7,243,635	2,300	0	7,245,935
Furniture and equipment	547,734	0	0	547,734
Total capital assets	<u>8,013,259</u>	<u>7,300</u>	<u>0</u>	<u>8,020,559</u>
Less: accumulated depreciation				
Buildings	6,537,438	123,454	0	6,660,892
Furniture and equipment	505,582	20,707	0	526,289
Total accumulated depreciation	<u>7,043,020</u>	<u>144,161</u>	<u>0</u>	<u>7,187,181</u>
Total capital assets, net	<u>\$ 970,239</u>	<u>\$ (136,861)</u>	<u>\$ 0</u>	<u>\$ 833,378</u>

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

Discretely Presented Component Unit:

	Balance at December 31, 2015	Additions	Deletions	Balance at December 31, 2016
Non-depreciable assets				
Land	\$ 173,000	\$ 0	\$ 0	\$ 173,000
Buildings and improvements	237,000	0	0	237,000
Total	<u>410,000</u>	<u>0</u>	<u>0</u>	<u>410,000</u>
Less: accumulated depreciation				
Buildings and Improvements	65,534	5,925	0	71,459
Furniture and equipment	0	0	0	0
Fixed assets, net	<u>65,534</u>	<u>5,925</u>	<u>0</u>	<u>71,459</u>
Fixed assets, net	<u>\$ 344,466</u>	<u>\$ (5,925)</u>	<u>\$ 0</u>	<u>\$ 338,541</u>

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

	General	Housing Choice Voucher Fund	Total Primary Government
Vendors	\$ 6,417	\$ 695	\$ 7,112
Payroll taxes & Retirement withheld	7,503	0	7,503
Utilities	1,581	165	1,746
HUD	0	77	77
Total	<u>\$ 15,501</u>	<u>\$ 937</u>	<u>\$ 16,438</u>

**NOTE 6 – COMPENSATED ABSENCES** At June 30, 2017, employees of the Housing Authority have accumulated and vested \$53,553 of employee leave computed in accordance with GASB, Codification Section C60.

HOUSING AUTHORITY OF NATCHITOCHE PARISH, 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	\$	64,120
Additions		37,213
Deletions		47,780
Balance, ending		53,553
Amounts due in one year	\$	9,509

Discretely Presented Component Unit:

Assisted and Safe Home, Inc. owed Midsouth Bank \$195,574 at December 31, 2016. The note is secured by real estate and bears a variable rate of interest, which is tied to the U.S. prime rate of interest. This loan is due immediately upon demand by Midsouth Bank. In the interim, monthly payments of \$2,234 are due, beginning October 5, 2016, with the last due on March 5, 2026. The current portion due is \$16,943.

Assisted and Safe Homes, Inc. entered into a loan agreement in the amount of \$100,250 with the Bank of Montgomery. The loan bears interest at a rate of 5.0% and is collateralized by real estate. The loan is payable upon demand by the Bank of Montgomery; however if no demand is made, then the loan's principal and accrued interest are due and payable at its maturity, on March 11, 2014. On that date, the loan was converted to a permanent loan, with a ten year amortization, with the final payment due March 2024. At December 31, 2016, the balance on the loan was \$92,534. The current portion was \$3,214.

LEASES

Operating Leases

The Housing Authority leases its building under a non-cancelable operating lease. The building is leased from Assisted and Safe Homes, Inc. at a rate of \$4,000 per month. The building lease expires on May 31, 2019. The Housing Authority expended \$48,000 under the building lease during the year ended June 30, 2017. The following is a schedule of the future minimum lease payments of the operating lease:

Year Ending June 30,	Amount
2018	48,000
2019	44,000
Future minimum lease payments	92,000

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES** At June 30, 2017, Housing Choice Voucher fund owes the General fund \$11,430. For financial statement purposes, this amount was deducted from the Housing Choice Voucher cash and added to General Fund cash.

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

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 6% of his effective compensation. The employer is required to make monthly contributions equal to 8.5% of each participant's effective compensation. The employer may make up to an additional 1.5% contribution, for a total of 10%.

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

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

The Housing Authority made the required contributions of \$30,955 for the year ended June 30, 2017, of which \$19,046 was paid by the Housing Authority and \$11,909 was paid by employees. No payments were made out of the forfeiture account.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

**Commitments** On July 1, 2016 the Authority entered into an Employment Agreement with the new Executive Director, who was promoted to this position effective of the same day. This followed retirement of the long-time Executive Director. The agreement is for five years, beginning July 1, 2016.

The contract may be terminated for cause, as specified in the contract. The Board may also terminate without cause, if such termination, in the Board's opinion, serves the best interests of the Authority. If the Executive Director is terminated for any reason, due process is required, as outlined in the agreement. The Director may terminate the agreement upon 90 days of written notice to the Board.

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

The Executive Director will be paid any accrued salary through the date of termination, in the event termination should occur. The Director is also entitled to all earned annual leave at the time of separation, regardless of the reason for the separation.

If terminated without cause, the Authority will pay the Executive Director on the effective date of termination a lump sum equal to salary and benefits she would have earned or received for the remainder of the five year contract, plus accrued salary and benefits, unpaid accrued annual leave, and reasonable, authorized business expenses.

**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 11 – ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$1,399,988 to the Housing Authority, which represents approximately 82% of the Housing Authority's total revenue and capital contributions for the year.

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

**NOTE 12 - SUBSEQUENT EVENTS** Management has evaluated events and transactions subsequent to the statement of net position date through, December 14, 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.

**NOTE 13 – PRIOR PERIOD ADJUSTMENTS** An adjustment of \$10,000 was necessary to correct an accounting error made in the prior year. The adjusted June 30, 2017 loss from Operations was \$190,652.



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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 Natchitoches Parish  
Natchitoches, 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 Natchitoches Parish, 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 Natchitoches Parish, Louisiana's basic financial statements, and have issued our report thereon dated December 14, 2017.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Housing Authority of Natchitoches Parish, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Natchitoches Parish, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Natchitoches Parish, 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 Natchitoches Parish, 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 14, 2017



MIKE ESTES, CPA

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AICPA GOVERNMENTAL  
AUDIT QUALITY CENTER

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

Independent Auditor's Report

Housing Authority of Natchitoches Parish  
Natchitoches, Louisiana

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

We have audited the Housing Authority of Natchitoches Parish, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of Natchitoches Parish, Louisiana's major federal programs for the year ended June 30, 2017. The Housing Authority of Natchitoches Parish, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Housing Authority of Natchitoches Parish, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

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

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

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

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

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

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

We have audited the financial statements of Housing Authority of Natchitoches Parish, Louisiana as of and for the year ended June 30, 2017, and have issued our report thereon dated December 14, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
December 14, 2017

HOUSING AUTHORITY OF NATCHITOCHE PARISH, 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	\$ 225,429
Capital Fund Program	14.872	49,736
Housing Choice Voucher	14.871	1,124,823
Total United States Department of Housing and Urban Development		\$ 1,399,988
Total Expenditures of Federal Awards		\$ 1,399,988

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF NATCHITOCHE PARISH, 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 Natchitoches Parish, 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	\$ 1,390,938
Capital contributions	9,050
Total	\$ 1,399,988

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

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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 – Unqualified for:

Low Rend  
Capital Fund  
Housing Choice Vouchers

Type of Auditor’s Report Issued on Financial Statements – Qualified for:

Aggregate Discretely Presented Component Unit.

2. Internal Control Over Financial Reporting:

a. Material weakness(es) identified? \_\_\_\_\_ yes ✓ no  
b. Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

3. Noncompliance material to financial statements noted?

\_\_\_\_\_ yes ✓ no

**Audit of Federal Awards**

1. Internal Control Over Major Programs:

a. Material weakness(es) identified? \_\_\_\_\_ yes ✓ no  
b. Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes ✓ none reported

2. Type of Auditor’s Report Issued on Compliance For Major Programs – Unmodified.

3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

\_\_\_\_\_ yes ✓ no

4. The programs tested as major programs include:

CFDA# 14.871                      Section 8 Housing Choice Voucher

5. Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

6. Auditee qualified as low-risk auditee? ✓ yes \_\_\_\_\_ no

7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

HOUSING AUTHORITY OF NATCHITOCHE PARISH, 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 NATCHITOCHE PARISH, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

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

None

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2017

There were no audit findings.

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2017

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

Section Eight Housing Choice Voucher Program

2016-001 – Deficit in Administrative Equity Account – Allowable Costs/Costs Principles

Condition

At June 30, 2016, the Administrative Equity has a deficit of \$6,796.

Recommendation

The Authority should reduce its Section Eight expenses and at least the deficit.

Current Status

The situation was corrected. The finding is not repeated.

**SUPPLEMENTARY INFORMATION**

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

YEAR ENDED JUNE 30, 2017

		2012 Capital Fund
Funds approved	\$	84,637
Funds expended		84,637
Excess of funds approved	\$	0
Funds advanced	\$	84,637
Funds expended		84,637
Excess (Deficiency) of funds advanced	\$	0

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 December 5, 2017 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 NATCHITOCHE PARISH, LOUISIANA  
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2017

	CASH BASIS		
	2013 Capital Fund	2014 Capital Fund	2015 Capital Fund
	<u>          </u>	<u>          </u>	<u>          </u>
Funds approved	\$ 108,428	\$ 112,511	\$ 120,239
Funds expended	104,157	45,932	32,001
Excess of funds approved	<u>\$ 4,271</u>	<u>\$ 66,579</u>	<u>\$ 88,238</u>
Funds advanced	\$ 104,157	\$ 45,932	\$ 32,001
Funds expended	104,157	45,931	30,787
Excess (Deficiency) of funds advanced	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 1,214</u>

See accountant's report

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

YEAR ENDED JUNE 30, 2017

**Agency Head Name:** Rhonda Kay, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 71,790
Benefits-insurance	10,112
Benefits-retirement	6,294
Benefits	
Car allowance	
Vehicle provided by government	
Per diem	900
Reimbursements	20
Travel	158
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
<b>Total</b>	<b>\$ 89,274</b>

See accountant's report



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## AGREED UPON PROCEDURES REPORT

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

To the Board of Directors of the Housing Authority of Natchitoches Parish, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Housing Authority of Natchitoches Parish, Louisiana 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 Housing Authority of Natchitoches, Parish'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 had policies for Personnel, Credit Cards, and Travel and Expense Reimbursement. We have suggested an added paragraph to the Credit Cards and Travel and Expense Reimbursement Policies. For the other policies, we have directed Management to the policies listed under Best Practices on the LLA's website. In addition, we have provided examples of the following policies: Budgeting, Purchasing and Disbursements (which also covers Contracting), Receipts, Payroll Processing, and Ethics.

- a) We also note that since the expenditures per the audit year budget exceeded \$500,000, a notice should have been posted with the proper information at least 10 days prior to a public hearing. Management claims that a proper notice was posted, but they did not retain the documentation. A public hearing was held. The Board of Commissioners reviewed and approved the operating budget on February 25, 2016.
- b) As required by State Ethics laws, the Authority did not obtain the required signatures from all employees and board members that they had read the Authority's ethics policy.

We recommend that Management make the changes we have recommended to the existing policies and also adopt the policies they need but do not presently have. Management should retain documentation that a proper notice was posted. We recommend that Management in the future obtain documentation that that all required persons attest in writing that they have read the Authority's ethics policy. The Board did obtain ethics compliance documentation, as noted in Number 26 below.

Corrective Action Response:

I am Rhonda Kay, Executive Director and Designated Person to respond to these AUP suggestions. I did not become the E.D. until after the audit year began. We will make all of the changes noted above, and adopt and/or revise the policies noted above.

## ***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 Board met on a monthly basis.
- b) The Minutes noted that at each meeting, the Board reviewed financial statements prepared by the Authority's fee accountants. However, the Minutes did not reflect the period covered by the financial statements that were reviewed. This should be noted.

In addition, the Minutes did not state whether budget-to-actual comparisons were made, as required by these Statewide Agreed-Upon Procedures. This should be noted.

The Board should preferably review year-to-date financial statements that included months ended within at least the last seventy-five days, and even more recently, if possible.

- c) The Minutes properly reflect that non-budgetary information was covered on a regular basis.

We recommend that Management make the needed changes as noted above.

### Corrective Action Response:

In the future, we will note the period ended that we review-through August 31<sup>st</sup>, etc. If we are unable to obtain financial statements from our fee accountant that are no older than seventy-five days, we will investigate and correct the delay. We understand that we may use actual figures from in-house information, if we deem the numbers to be materially correct.

We will compare budgeted to actual and document our review.

## 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 received Management's representation that the list is complete.

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

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

### Results of Testing:

- a) Monthly bank reconciliations for all accounts were prepared.
- b) All included documentation that they had been reviewed by a person with no involvement with the bank account transactions.
- c) One bank reconciliation for the last month of the fiscal year included four outstanding checks that were more than six months old. There was no documentation that these four checks had been reviewed.

In the future, Management should document on the bank reconciliation that they have reviewed all outstanding checks more than six months old, and the reason listed explaining why the checks have not been written off.

### Corrective Action Response:

We will do as the auditor suggests.

## 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 representation 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) One bonded employee accepts rental payments at a satellite office. Only money orders are received. This employee prepares and makes the bank deposit and reconciles the validated deposit amount to the software listing the employee also prepares. Daily the validated deposit slip is sent to the main office. Subsequently, a person at the office reconciles the bank account, and reconciles the total payments to the rental register. A fee accountant also reconciles the bank account and reconciles the total payments to the rental register.

- b) Management has a written process to reconcile cash collections to the general ledger and rental register, by revenue source, by a person who is not responsible for cash collections in the cash collection location tested
- c) For our test period, all tenant receipts were deposited within one day of collection. For our test period, the rental receipts, rental register, bank statement, and general ledger were satisfactorily reconciled.

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

Results of Testing:

Management has a written procedure that defines how to determine the completeness of collections, including electronic transfers by a person not responsible for collections.

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

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

Results of Testing:

We obtained Management’s representation 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:

No exceptions were noted in performing the tests noted above in [a], [b], and [c]

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 has been added to 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 Authority has metal cabinets with a lock that holds all checks for each account. The keys are kept in a separate area of which only in-house employees are aware of its location.

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

Results of Testing:

Neither a signature stamp nor a signature machine is used.

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

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

Results of Testing:

Management represented that the list 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) For the period tested, there was written documentation that the charges were reviewed by someone other than the card holder.
- b) No interest was charged for the period tested.

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:

For the period tested, no exceptions were noted in performing the above steps [a], [b], and [c].

***Travel and Expense Reimbursement***

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

Results of Testing:

Management represented that the listing 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](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

Results of Testing:

No exceptions were noted in our tests.

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:

No exceptions were noted in the above tests. Expense and related documentation was reviewed and approved in writing by someone other than the person receiving reimbursement.

#### ***Contracts***

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

#### Results of Testing:

Management represented that the list 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:

The results of tests of the five highest vendors are as follows:

1. The largest expenditure was for substantial unit repair project. There was a proper written contract. The amount fell into the threshold for sealed bidding. It appears the proper procedures were followed. Per the LPC and R.S. 39:1594 the State does not require a minimum number of bids. For level of the expenditure, it appears that HUD required three bids. Two bids were obtained. Two others indicated interest but did not submit a bid. No changes to the contract were noted. The payments were properly supported by invoice and other documentation. It appears that the board did not approve this. It appears board approval was not required, although approval was preferable.
2. The second largest expenditure was for periodic service for heating and air. Other vendors were also used but management claims this vendor is most responsive and timely. The single largest expenditure was for \$4,875. The largest amount was agreed to a proper invoice and other supporting documentation. In our opinion, the amounts are below the threshold for requiring board approval,
3. The third amount was for professional fee accounting services. We reviewed a proper signed contract. Management could not provide evidence that the Authority had solicited Requests for Proposals within the last five years, as required by HUD for professional services. The largest amount was agreed to a proper invoice. The 2014 annual contract, which appears to be the last written contract, was approved by the Board.
4. The fourth largest contract is for software and support services. We reviewed a proper signed contract. Periodically, management reviews the fees and compares prices. But bids have not been solicited, considering the attendant and often unanticipated costs of changing software, including but not limited to, training and hardware costs. The largest amount was properly supported by invoice. It appears that the board has not approved this vendor in recent years. It appears that board approval was not required.

5. The fifth largest contract was for professional architecture services. We reviewed letters requesting proposals sent to three architects in 2015. We were unable to review any evaluation of criteria. It appears that only one bid was received. It appears that there was an oral agreement. Management could not locate a written agreement. The largest amount was properly supported by invoice. The board approved the architect in August 2015 to assist the Authority for the 2012, '13, '14, and '15 Capital Fund grants.

Our recommendations are as follows, for the use of the above five vendors, listed in the order above:

1. In the future, board approval for sealed bid awards of comparable dollar amounts should be obtained. Board approval may not be required, but is preferable. All reasonable efforts should be made to obtain the minimum number of required bids [for this dollar level, the minimum was three-minimum varies due to estimated size of expenditure].
2. When possible, the Authority should also continue to use, to some extent, other vendors that also do quality work for the similar price. Documentation should be kept that the price is competitive.
3. As soon as feasible, the Authority should use a Request for Proposal and solicit other bids. The RFP should clearly state the Criteria that will be used to evaluate the bids. Board approval should be obtained for the award. Board approval appears to not be required, but is preferable.
4. Documentation should be kept that the charges are reasonable and competitive. Board review and approval, while not required, should be obtained, preferably on an annual basis.
5. The Authority should use a Request for Proposal and solicit other bids for architecture services needed, if any, beginning with the 2016 Capital Fund Program. The standard HUD contract with architect form should be executed with the award winner. The RFP should clearly state the Criteria that will be used to evaluate the bids. Board approval, while not required, is approval.

For all contracts above the HUD \$3,000 Micro Purchase amount for single purchases, the Authority should make every effort to obtain the minimum number of bids. The minimum number varies, depending on the level of expenditure. Both HUD and the State generate procurement bid thresholds. The Authority must follow the stricter guideline. As much documentation as possible should be retained to document the efforts to obtain the minimum number of quotes, *especially* when the minimum number is not obtained. HUD requires that an independent cost estimate [ICE] be obtained for all amounts above the Micro Purchase amount of \$3,000.

#### Corrective Action Plan-Response

We will follow the auditor's recommendations noted above.

#### ***Payroll and Personnel***

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

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

Results of Testing:

No exceptions were noted while performing the above tests.

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

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

Results of Testing:

- a) The selected employees documented their daily attendance and leave.
- b) There was written documentation that a supervisor approved the attendance and leave records of the employee payments we tested.
- c) There was written documentation that the Authority maintained written leave records for the payments we tested.

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:

We noted no exceptions in the above tests.

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 above tests.

*Ethics (excluding nonprofits)*

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

Results of Testing:

We obtained the ethics compliance documentation for the five employees tested. The entity presently has a system to monitor ethics training. However, the policy we have recommended the Authority adopt requires each employee and board member to attest and note in writing on an annual basis that they have read the Ethics policy.

Corrective Action Response:

We noted in Number One, above, that we will adopt the Ethics Policy that the auditor recommends.

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

Results of Testing:

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

***Debt Service (excluding nonprofits)***

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

Results of Testing:

Not applicable.

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

Results of Testing:

Not applicable.

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

Results of Testing:

Not applicable.

***Other***

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

Results of Testing:

Management represents that they are not aware of any misappropriations 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](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Testing:

The notice is properly posted.

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

Results of Testing:

No exceptions to management's representations were noted.

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 14, 2017

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Balance Sheet Summary					
	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	ELIM	Total
111 Cash - Unrestricted	\$33,334	\$12,054	\$10,904		\$56,292
112 Cash - Restricted - Modernization and Development	\$0				\$0
113 Cash - Other Restricted	\$0	\$38,449			\$38,449
114 Cash - Tenant Security Deposits	\$8,950				\$8,950
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0			\$0
100 Total Cash	\$42,284	\$50,503	\$10,904	\$0	\$103,691
121 Accounts Receivable - PHA Projects	\$0				\$0
122 Accounts Receivable - HUD Other Projects	\$1,214				\$1,214
124 Accounts Receivable - Other Government	\$0				\$0
125 Accounts Receivable - Miscellaneous	\$12,646	\$512			\$13,158
126 Accounts Receivable - Tenants	\$3,083	\$0			\$3,083
126.1 Allowance for Doubtful Accounts - Tenants	-\$3,083	\$0			-\$3,083
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0			\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0				\$0
128 Fraud Recovery	\$0	\$10,040			\$10,040
128.1 Allowance for Doubtful Accounts - Fraud	\$0	-\$8,941			-\$8,941
129 Accrued Interest Receivable	\$16				\$16
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$13,876	\$1,611	\$0	\$0	\$15,487
131 Investments - Unrestricted	\$147,030				\$147,030
132 Investments - Restricted	\$0				\$0
135 Investments - Restricted for Payment of Current Liability	\$0				\$0
142 Prepaid Expenses and Other Assets	\$50,370	\$5,635			\$56,005
143 Inventories	\$7,107				\$7,107
143.1 Allowance for Obsolete Inventories	-\$335				-\$335
144 Inter Program Due From	\$0			\$0	\$0
145 Assets Held for Sale	\$0				\$0
150 Total Current Assets	\$260,332	\$57,749	\$10,904	\$0	\$328,985
161 Land	\$221,890		\$173,000		\$394,890
162 Buildings	\$5,902,056		\$237,000		\$6,139,056
163 Furniture, Equipment & Machinery - Dwellings	\$171,629				\$171,629
164 Furniture, Equipment & Machinery - Administration	\$376,104				\$376,104
165 Leasehold Improvements	\$1,343,879				\$1,343,879
166 Accumulated Depreciation	-\$7,187,180		-\$71,459		-\$7,258,639
167 Construction in Progress	\$5,000				\$5,000
168 Infrastructure	\$0				\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$833,378	\$0	\$338,541	\$0	\$1,171,919
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current	\$0				\$0
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$833,378	\$0	\$338,541	\$0	\$1,171,919
200 Deferred Outflow of Resources	\$0				\$0
290 Total Assets and Deferred Outflow of Resources	\$1,093,710	\$57,749	\$349,445	\$0	\$1,500,904

HOUSING AUTHORITY OF NATCHITOCHEs PARISH, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Balance Sheet Summary					
	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	ELIM	Total
311 Bank Overdraft	\$0				\$0
312 Accounts Payable <= 90 Days	\$6,417	\$695			\$7,112
313 Accounts Payable >90 Days Past Due	\$0				\$0
321 Accrued Wage/Payroll Taxes Payable	\$7,503				\$7,503
322 Accrued Compensated Absences - Current Portion	\$8,463	\$1,046			\$9,509
324 Accrued Contingency Liability	\$0				\$0
325 Accrued Interest Payable	\$0		\$751		\$751
331 Accounts Payable - HUD PHA Programs		\$77			\$77
332 Account Payable - PHA Projects	\$0				\$0
333 Accounts Payable - Other Government	\$17,378				\$17,378
341 Tenant Security Deposits	\$8,950				\$8,950
342 Unearned Revenue	\$983				\$983
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$20,157		\$20,157
344 Current Portion of Long-term Debt - Operating Borrowings	\$0				\$0
345 Other Current Liabilities	\$0	\$165			\$165
346 Accrued Liabilities - Other	\$1,581				\$1,581
347 Inter Program - Due To	\$0	\$0		\$0	\$0
348 Loan Liability - Current					
310 Total Current Liabilities	\$51,275	\$1,983	\$20,908	\$0	\$74,166
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$267,951		\$267,951
352 Long-term Debt, Net of Current - Operating Borrowings	\$0				\$0
353 Non-current Liabilities - Other	\$0		\$795		\$795
354 Accrued Compensated Absences - Non Current	\$39,199	\$4,845			\$44,044
355 Loan Liability - Non Current					
356 FASB 5 Liabilities	\$0				\$0
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$39,199	\$4,845	\$268,746	\$0	\$312,790
300 Total Liabilities	\$90,474	\$6,828	\$289,654	\$0	\$386,956
400 Deferred Inflow of Resources	\$0				\$0
508.4 Net Investment in Capital Assets	\$833,378	\$0	\$50,433		\$883,811
511.4 Restricted Net Position	\$0	\$38,449	\$0		\$38,449
512.4 Unrestricted Net Position	\$169,858	\$12,472	\$9,358		\$191,688
513 Total Equity - Net Assets / Position	\$1,003,236	\$50,921	\$59,791	\$0	\$1,113,948
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,093,710	\$57,749	\$349,445	\$0	\$1,500,904

HOUSING AUTHORITY OF NATCHITOCHEs PARISH, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$192,978		\$192,978
70400 Tenant Revenue - Other	\$21,594		\$21,594
70500 Total Tenant Revenue	\$214,572	\$0	\$214,572
70600 HUD PHA Operating Grants	\$225,429	\$40,686	\$266,115
70610 Capital Grants		\$9,050	\$9,050
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	\$451		\$451
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	\$80,134		\$80,134
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$520,586	\$49,736	\$570,322
91100 Administrative Salaries	\$128,541		\$128,541
91200 Auditing Fees	\$5,214		\$5,214
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$77		\$77
91500 Employee Benefit contributions - Administrative	\$56,342		\$56,342
91600 Office Expenses	\$53,174		\$53,174
91700 Legal Expense			
91800 Travel	\$4,679		\$4,679
91810 Allocated Overhead			
91900 Other	\$7,938		\$7,938
91000 Total Operating - Administrative	\$255,965	\$0	\$255,965
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	\$1,061		\$1,061
93200 Electricity	\$14,689		\$14,689
93300 Gas	\$1,719		\$1,719
93400 Fuel			
93500 Labor			

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
93600 Sewer	\$1,728		\$1,728
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$19,197	\$0	\$19,197
94100 Ordinary Maintenance and Operations - Labor	\$75,044		\$75,044
94200 Ordinary Maintenance and Operations - Materials and Other	\$33,855		\$33,855
94300 Ordinary Maintenance and Operations Contracts	\$40,443		\$40,443
94500 Employee Benefit Contributions - Ordinary Maintenance	\$48,178		\$48,178
94000 Total Maintenance	\$197,520	\$0	\$197,520
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	\$17,942		\$17,942
96120 Liability Insurance	\$13,020		\$13,020
96130 Workmen's Compensation	\$10,527		\$10,527
96140 All Other Insurance	\$29,637		\$29,637
96100 Total insurance Premiums	\$71,126	\$0	\$71,126
96200 Other General Expenses			
96210 Compensated Absences	\$46,156		\$46,156
96300 Payments in Lieu of Taxes	\$17,378		\$17,378
96400 Bad debt - Tenant Rents	\$12,890		\$12,890
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$76,424	\$0	\$76,424
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	\$620,232	\$0	\$620,232
97000 Excess of Operating Revenue over Operating Expenses	-\$99,646	\$49,736	-\$49,910
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized	\$50,016		\$50,016
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$144,162		\$144,162
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$814,410	\$0	\$814,410

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$40,686		\$40,686
10020 Operating transfer Out		-\$40,686	-\$40,686
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)	\$40,686	-\$40,686	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$253,138	\$9,050	-\$244,088
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,237,324	\$0	\$1,237,324
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$45,214	-\$35,214	\$10,000
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	1083		1083
11210 Number of Unit Months Leased	1028		1028
11270 Excess Cash	\$100,229		\$100,229
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$9,050	\$9,050
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF NATCHITOCHEs PARISH, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Revenue and Expense Summary					
	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	ELIM	Total
70300 Net Tenant Rental Revenue	\$192,978		\$48,000		\$240,978
70400 Tenant Revenue - Other	\$21,594				\$21,594
70500 Total Tenant Revenue	\$214,572	\$0	\$48,000		\$262,572
70600 HUD PHA Operating Grants	\$266,115	\$1,124,823			\$1,390,938
70610 Capital Grants	\$9,050				\$9,050
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	\$451	\$15	\$8		\$474
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		\$0			\$0
71500 Other Revenue	\$80,134	\$6,794			\$86,928
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$570,322	\$1,131,632	\$48,008		\$1,749,962
91100 Administrative Salaries	\$128,541	\$41,340			\$169,881
91200 Auditing Fees	\$5,214	\$7,821			\$13,035
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$77	\$77			\$154
91500 Employee Benefit contributions - Administrative	\$56,342	\$21,601			\$77,943
91600 Office Expenses	\$53,174	\$61,644	\$955		\$115,773
91700 Legal Expense			\$575		\$575
91800 Travel	\$4,679	\$3,251			\$7,930
91810 Allocated Overhead					
91900 Other	\$7,938	\$1,551			\$9,489
91000 Total Operating - Administrative	\$255,965	\$137,285	\$1,530		\$394,780
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		\$0
93100 Water	\$1,061				\$1,061
93200 Electricity	\$14,689				\$14,689
93300 Gas	\$1,719				\$1,719
93400 Fuel					
93500 Labor					

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Revenue and Expense Summary					
	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	ELIM	Total
93600 Sewer	\$1,728				\$1,728
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$19,197	\$0	\$0		\$19,197
94100 Ordinary Maintenance and Operations - Labor	\$75,044				\$75,044
94200 Ordinary Maintenance and Operations - Materials and Other	\$33,855				\$33,855
94300 Ordinary Maintenance and Operations Contracts	\$40,443		\$4,088		\$44,531
94500 Employee Benefit Contributions - Ordinary Maintenance	\$48,178				\$48,178
94000 Total Maintenance	\$197,520	\$0	\$4,088		\$201,608
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0		\$0
96110 Property Insurance	\$17,942				\$17,942
96120 Liability Insurance	\$13,020				\$13,020
96130 Workmen's Compensation	\$10,527	\$3,231	\$1,918		\$15,676
96140 All Other Insurance	\$29,637	\$136			\$29,773
96100 Total insurance Premiums	\$71,126	\$3,367	\$1,918		\$76,411
96200 Other General Expenses		\$1,288	\$27		\$1,315
96210 Compensated Absences	\$46,156	\$2,230			\$48,386
96300 Payments in Lieu of Taxes	\$17,378		\$2,046		\$19,424
96400 Bad debt - Tenant Rents	\$12,890				\$12,890
96500 Bad debt - Mortgages					
96600 Bad debt - Other		\$1,138			\$1,138
96800 Severance Expense					
96000 Total Other General Expenses	\$76,424	\$4,656	\$2,073		\$83,153
96710 Interest of Mortgage (or Bonds) Payable			\$15,602		\$15,602
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$15,602		\$15,602
96900 Total Operating Expenses	\$620,232	\$145,308	\$25,211		\$790,751
97000 Excess of Operating Revenue over Operating Expenses	-\$49,910	\$986,324	\$22,797		\$959,211
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized	\$50,016				\$50,016
97300 Housing Assistance Payments		\$928,277			\$928,277
97350 HAP Portability-In		\$3,671			\$3,671
97400 Depreciation Expense	\$144,162		\$5,925		\$150,087
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$814,410	\$1,077,256	\$31,136		\$1,922,802

HOUSING AUTHORITY OF NATCHITOCHE PARISH, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Revenue and Expense Summary					
	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	ELIM	Total
10010 Operating Transfer In	\$40,686				\$40,686
10020 Operating transfer Out	-\$40,686				-\$40,686
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		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$244,088	\$54,376	\$16,872		-\$172,840
11020 Required Annual Debt Principal Payments	\$0	\$0	\$32,146		\$32,146
11030 Beginning Equity	\$1,237,324	-\$3,455	\$42,919		\$1,276,788
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$10,000				\$10,000
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		\$12,472			\$12,472
11180 Housing Assistance Payments Equity		\$38,449			\$38,449
11190 Unit Months Available	1083	3204	480		4767
11210 Number of Unit Months Leased	1028	3088	465		4581
11270 Excess Cash	\$100,229				\$100,229
11610 Land Purchases	\$0				\$0
11620 Building Purchases	\$9,050				\$9,050
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0
11640 Furniture & Equipment - Administrative Purchases	\$0				\$0
11650 Leasehold Improvements Purchases	\$0				\$0
11660 Infrastructure Purchases	\$0				\$0
13510 CFFP Debt Service Payments	\$0				\$0
13901 Replacement Housing Factor Funds	\$0				\$0