

**Housing Authority of the  
CITY OF THIBODAUX**  
Thibodaux, Louisiana

**Annual Financial Report  
As of and for the Year Ended December 31, 2017**

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**  
 Thibodaux, Louisiana  
 Basic Financial Statements  
 As of and for the Year Ended December 31, 2017  
 With Supplemental Information Schedules

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
**Housing Authority of the City of Thibodaux**  
Thibodaux, Louisiana

**Report on the Financial Statements**

I have audited the accompanying financial statements of the Housing Authority of the City of Thibodaux (the authority) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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Thibodaux, Louisiana

Independent Auditor's Report, 2017

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

### **Opinions**

In my opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the Housing Authority of the City of Thibodaux as of December 31, 2017, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's discussion and analysis* as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the authority's basic financial statements. The Financial Data Schedule; the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and the Statement and Certification of Actual Modernization Cost are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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 is also not a required part of the basic financial statements.

## HOUSING AUTHORITY OF THE CITY OF THIBODAUX

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The Financial Data Schedule; the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer; the Statement and Certification of Actual Modernization Cost and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated April 12, 2018 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the authority's internal control over financial reporting and compliance.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

April 12, 2018

**HOUSING AUTHORITY OF THIBODAUX, LOUISIANA**

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

**December 31, 2017**

**The management of Public Housing Authority of Thibodaux, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending December 31, 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 \$7,881,306 at the close of the fiscal year ended 2017.
  - ✓ Of this amount \$4,788,718 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
  - ✓ The remainder of \$3,092,588 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 one and half times the total operating expenses of \$2,063,267 for the fiscal year 2017, which means the Authority might be able to operate about 20 months using the unrestricted assets alone, compared to 18 months in the prior fiscal year.
  
- The Housing Authority's total net position decreased by \$130,526, a 2% decrease from the prior fiscal year 2016. This decrease is partially attributable to increases in Federal grants, described in more detail below.
  
- The decrease in net position of these funds was accompanied by a decrease in unrestricted cash by \$10,504 from fiscal year 2016.
  
- The Authority Spent \$329,512 on capital asset additions and \$78,595 on construction in progress.
  
- These changes led to a decrease in total assets by \$121,865 and an increase in total liabilities by \$8,661. As related measure of financial health, there are still over \$21 of current assets covering each dollar of total current liabilities, which compares to \$22 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

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

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

## USING THIS ANNUAL REPORT

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

Public Housing Capital Fund Program	\$ 123,594
Low Rent Public Housing	<u>879,354</u>
Total funding received this current fiscal year	<u>\$ 1,002,948</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.

Housing Authority of City Thibodaux, LA  
 Management's Discussion and Analysis (MD&A)  
 December 31, 2017

**FINANCIAL ANALYSIS**

The Housing Authority's net position was \$7,881,306 as of December 31, 2017. Of this amount, \$4,788,718 was invested in capital assets and \$3,092,588 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position.

**CONDENSED FINANCIAL STATEMENTS**

**Condensed Statement of Net Position  
 As of December 31, 2017**

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>ASSETS</b>		
Current assets	\$ 3,267,889	\$ 3,264,529
Capital assets, net of depreciation	4,788,719	4,913,944
Total assets	8,056,608	8,178,473
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred payments to government assistance programs	-	-
<b>LIABILITIES</b>		
Current liabilities	154,881	151,358
Non-current liabilities	20,421	15,283
Total liabilities	175,302	166,641
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenues from government assistance programs	-	-
<b>NET POSITION</b>		
Invested in capital assets, net of depreciation	4,788,718	4,913,944
Unrestricted net position	3,092,588	3,097,888
Total net position	\$ 7,881,306	\$ 8,011,832

Housing Authority of City Thibodaux, LA  
 Management's Discussion and Analysis (MD&A)  
 December 31, 2017

**CONDENSED FINANCIAL STATEMENTS (Continued)**

The net position of these funds decreased by \$130,526, or by 2%, 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 December 31, 2017**

	<u>2017</u>	<u>2016</u>	<u>Total Changes</u>
<b>OPERATING REVENUES</b>			
Tenant rental revenue	\$ 859,648	\$ 935,143	\$ (75,495)
Government grants for operations	879,354	873,392	5,962
Other tenant revenue	54,235	59,366	(5,131)
Total operating revenues	<u>1,793,237</u>	<u>1,867,901</u>	<u>(74,664)</u>
<b>OPERATING EXPENSES</b>			
General	282,919	261,950	20,969
Maintenance and repairs	621,430	517,053	95,830
Administrative expenses and management fees	293,501	283,589	9,912
Utilities	256,764	252,521	4,243
Protective services	69,345	45,000	24,345
Depreciation	547,105	532,858	14,247
Tenant services	750	903	(153)
Extraordinary maintenance and repairs	-	4,648	(4,648)
Total operating expenses	<u>2,071,814</u>	<u>1,898,522</u>	<u>164,745</u>
Income (losses) from operations	<u>(278,577)</u>	<u>(30,621)</u>	<u>(247,956)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	1,335	1,499	(164)
Other non-tenant revenue	23,122	13,571	6,651
Total non-operating revenues (expenses)	<u>24,457</u>	<u>15,070</u>	<u>9,387</u>
Income (losses) before capital contributions	<u>(254,120)</u>	<u>(15,551)</u>	<u>(238,569)</u>
<b>CAPITAL CONTRIBUTIONS</b>	123,594	623,433	(499,839)
<b>CHANGES IN NET POSITION</b>	<u>(130,526)</u>	<u>607,882</u>	<u>(738,408)</u>
<b>NET POSITION, BEGINNING OF FISCAL YEAR</b>	8,011,832	7,403,950	607,882
<b>NET POSITION, END OF FISCAL YEAR</b>	<u>\$ 7,881,306</u>	<u>\$ 8,011,832</u>	<u>\$ (130,526)</u>

## EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues decreased \$573,663 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue decreased by \$80,626 from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Included in this total is other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) which decreased by \$5,131.
- Federal revenues from HUD for operations increased by \$5,962 from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant.
- Federal Capital Funds from HUD decreased by \$499,839 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 2015 through 2017, and submitted a new grant during fiscal year 2017.
- Total other non-operating revenue increased by \$6,651, interest income decreased by \$164 and gains on sales of assets increased by \$2,900 from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses increased \$173,292, or by 9%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$14,247 from that of the prior fiscal year.
- Maintenance and repairs increased by \$91,182 from that of the prior fiscal year due to changes in the following: Repair staff wages increased by \$42,844 and related employee benefit contributions increased by \$9,638. Materials used increased by \$25,811 and contract labor costs increased by \$17,537. Finally, Extraordinary maintenance decreased by \$4,648 from the prior fiscal year.
- General Expenses increased by \$20,969 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$2,819. 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 \$6,372, bad debts decreased by \$8,384 and interest expense increased by \$8,802. Lastly, compensated absences increased by \$11,360.
- Administrative Expenses increased by \$9,912 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries increased by \$17,761 and related employee benefit contributions increased by \$3,948; therefore, total staff salaries and benefit costs increased. Outside professional fees changed as follows: audit fees decreased by \$85 and legal fees decreased by \$130. In addition, staff travel reimbursements increased by \$1,447, office expenses decreased by \$13,476 and sundry expenses increased by \$447.
- Utilities Expense increased by \$4,243 from that of the prior fiscal year because water cost increased by \$1,762, electricity cost increased by \$1,347, gas cost increased by \$1,013, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$121.

Housing Authority of City Thibodaux, LA  
 Management's Discussion and Analysis (MD&A)  
 December 31, 2017

- Total Tenant Services decreased by \$153 from that of the prior fiscal year in the other tenant services line item.
- Protective services increased by \$24,345 from that of the prior fiscal year because Contract labor increased by \$24,345.
- Casualty losses increased by \$8,547.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At December 31, 2017, the Housing Authority had a total cost of \$21,756,935 invested in a broad range of assets and construction in progress from projects funded in 2015 through 2017, listed below. This amount, not including depreciation, represents increases of \$408,107 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Statement of Capital Assets  
 As of December 31, 2017**

	<u>2017</u>	<u>2016</u>
Land	\$ 552,040	\$ 552,040
Construction in progress	424,712	346,117
Buildings	17,131,505	16,794,294
Leasehold improvements	3,194,194	3,188,120
Furniture and equipment	454,484	468,257
Accumulated Depreciation	(16,968,216)	(16,434,884)
Total	\$ 4,788,719	\$ 4,913,944

As of the end of the 2017 fiscal year, the Authority is still in the process of completing HUD grants of \$1,329,512 obtained during 2015 through 2017 fiscal years. A total remainder of \$829,800 will be received and 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 Beryl Pitre, at Public Housing Authority of Thibodaux, Louisiana; PO Box 775; Thibodaux, LA 70302.

**Housing Authority of the City of Thibodaux**  
**Thibodaux, Louisiana**  
Statement of Net Position  
As of December 31, 2017

Exhibit A

**ASSETS**

**Current assets**

Cash and cash equivalents	3,150,820
Receivables:	
HUD	3,060
Tenant rents, net of allowance	4,919
Miscellaneous, net of allowance	18,320
Prepaid expenses	38,798
Inventory, net of allowance	14,727
Restricted assets - cash and cash equivalents	<u>37,245</u>
<b>Total current assets</b>	<u><u>3,267,889</u></u>

**Noncurrent assets**

Capital assets:	
Nondepreciable capital assets:	
Land	552,040
Construction in progress	<u>424,712</u>
Total nondepreciable capital assets	<u>976,752</u>
Depreciable capital assets:	
Buildings and improvements	20,325,699
Furniture and equipment	454,484
Less accumulated depreciation	<u>(16,968,216)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>3,811,967</u>
<b>Total capital assets, net of accumulated depreciation</b>	<u><u>4,788,719</u></u>

**TOTAL ASSETS**

8,056,608

**LIABILITIES AND NET POSITION**

**Current Liabilities**

Accounts payable	21,334
Payable to other governments	62,514
Accrued compensated absences	10,251
Unearned revenue	3,534
Other liability	20,003
Security deposit liability	<u>37,245</u>
<b>Total current liabilities</b>	<u>154,881</u>

**Noncurrent liabilities**

Accrued compensated absences	<u>20,421</u>
<b>Total noncurrent liabilities</b>	<u>20,421</u>

**TOTAL LIABILITIES**

175,302

**NET POSITION**

Net Investments in Capital Assets	4,788,719
Restricted	-
Unrestricted	<u>3,092,587</u>

**TOTAL NET POSITION**

\$ 7,881,306

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

**Exhibit B**

**Housing Authority of the City of Thibodaux**  
 Thibodaux, Louisiana  
 Statement of Revenues, Expenses, and Changes In Net Position  
 For the Year ended December 31, 2017

<b>Operating Revenues</b>	
HUD Operating Grants	\$ 879,354
Dwelling Rental	859,648
Other Operating	<u>54,235</u>
<b>Total operating revenues</b>	<u>1,793,237</u>
<b>Operating Expenses</b>	
General and administrative	576,420
Repairs and maintenance	621,430
Utilities	256,764
Tenant services	750
Protection services	69,345
Depreciation and amortization	<u>547,105</u>
<b>Total operating expenses</b>	<u>2,071,814</u>
<b>Operating income (loss)</b>	(278,577)
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	1,335
Miscellaneous revenues	<u>23,122</u>
<b>Total nonoperating revenues (expenses)</b>	<u>24,457</u>
<b>Income (loss) before other revenues, expenses, gains, losses and transfers</b>	(254,120)
Capital contributions (grants)	123,594
<b>Increase (decrease) in net position</b>	(130,526)
<b>Net position, beginning of year</b>	<u>8,011,832</u>
<b>Net position, end of year</b>	<u><u>\$ 7,881,306</u></u>

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

**Housing Authority of the City of Thibodaux**  
**Statement of Cash Flows**  
For the Year ended December 31, 2017

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from federal subsidies	\$ 876,294
Receipts from tenants	925,642
Payments to suppliers	(1,215,904)
Payments to employees	<u>(314,574)</u>
<b>Net cash provided by operating activities</b>	<u>271,458</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Miscellaneous revenues	<u>23,122</u>
<b>Net cash provided by noncapital financing activities</b>	<u>23,122</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from capital grants	123,594
Purchase and construction of capital assets	<u>(421,879)</u>
<b>Net cash (used in) capital and related financing activities</b>	<u>(298,285)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>1,335</u>
<b>Net cash provided by investing activities</b>	<u>1,335</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,370)</u>
<b>Cash and cash equivalents - beginning of year</b>	<u>3,190,435</u>
Cash and Cash equivalents - unrestricted	3,150,820
Cash and Cash equivalents - restricted	37,245
<b>Total Cash and Cash Equivalents - end of year</b>	<u>\$ 3,188,065</u>

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

Operating (loss)	\$ (278,577)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	547,105
Changes in assets and liabilities:	
HUD receivable	(3,060)
Tenant rents, net of allowance	9,879
Miscellaneous receivables	(18,320)
Prepaid insurance	5,771
Accounts payable	7,403
PILOT Payable	(8,155)
Accrued compensated absences	8,637
Unearned revenue	1,757
Other liability	(2,862)
Security deposit liability	<u>1,880</u>
<b>Net cash provided by operating activities</b>	<u>\$ 271,458</u>

The accompanying notes are an integral part of the financial statements

## HOUSING AUTHORITY OF THE CITY OF THIBODAUX

Thibodaux, Louisiana  
Notes to the Basic Financial Statements  
December 31, 2017

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

### (1) Reporting Entity

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

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

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

## HOUSING AUTHORITY OF THE CITY OF THIBODAUX

THIBODAUX, LOUISIANA

Notes to the Financial Statements, 2017 - continued

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

### (2) Funds

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

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

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

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

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**

THIBODAUX, LOUISIANA

Notes to the Financial Statements, 2017 - continued

(3) Measurement focus and basis of accounting

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

(4) Assets, liabilities, and net Position

(a) Deposits

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

(b) Inventory and prepaid items

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

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

(c) Restricted Assets

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

(d) Capital assets

Capital assets of the authority are included in the statement of net positions and are recorded at actual cost. The capitalization threshold is \$5,000. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

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

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**

THIBODAUX, LOUISIANA

Notes to the Financial Statements, 2017 - continued

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

(e) Due from/to other governments or agencies

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

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At December 31, 2017, the management of the authority established an allowance for doubtful accounts of approximately \$2,731.

(g) Compensated absences

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

Employees earn from 95 to 192 hours per year in annual leave. Employees may accumulate an unlimited number of annual leave hours. Depending on their length of service, classified employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. Employees are not compensated for unused sick leave.

(h) Restricted net Position

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

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

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

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**

THIBODAUX, LOUISIANA

Notes to the Financial Statements, 2017 - continued

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the government-wide financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B – DEPOSITS**

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

As of December 31, 2017, the authority's carrying amount of deposits was \$3,188,065, which includes the following:

Cash and cash equivalents-unrestricted	\$3,150,820
Cash and cash equivalents- restricted	37,245
Total	\$3,188,065

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

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

**Custodial Credit Risk**—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$250,000 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$2,957,160 of deposits have custodial credit risk, but were collateralized with securities held by the pledging financial institution trust department or agent. The bank balances at December 31, 2017 totaled \$3,207,160.

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**  
 THIBODAUX, LOUISIANA  
 Notes to the Financial Statements, 2017 - continued

**NOTE C - CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2017 was as follows:

	<u>12 31 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>12 31 2017</u>
<b>Nondepreciable Assets:</b>				
Land	\$ 552,040	\$ -	\$ -	\$ 552,040
Construction in Progress	346,118	78,594	-	424,712
<b>Depreciable Assets:</b>				
Building and improvements	19,982,414	343,285	-	20,325,699
Furniture and equipment	<u>468,257</u>	<u>-</u>	<u>13,773</u>	<u>454,484</u>
Total	<u>21,348,829</u>	<u>421,879</u>	<u>13,773</u>	<u>21,756,935</u>
Less accumulated depreciation				
Building and improvements	16,010,404	533,370	-	16,543,774
Furniture and equipment	<u>424,480</u>	<u>13,735</u>	<u>13,773</u>	<u>424,442</u>
Total accumulated depreciation	<u>16,434,884</u>	<u>547,105</u>	<u>13,773</u>	<u>16,968,216</u>
Net Capital Assets	<u>\$ 4,913,945</u>	<u>\$(125,226)</u>	<u>\$ -</u>	<u>\$ 4,788,719</u>

**NOTE D – CONSTRUCTION COMMITMENTS**

The authority is engaged in a modernization program and has entered into construction type contracts with approximately \$494,232 remaining until completion.

**NOTE E – COMPENSATED ABSENCES**

At December 31, 2017, employees of the authority have accumulated and vested \$30,672 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$20,421 is reported in long-term debt.

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**

THIBODAUX, LOUISIANA

Notes to the Financial Statements, 2017 - continued

**NOTE F – LONG TERM OBLIGATIONS**

As of December 31, 2017, long term obligations consisted of compensated absences in the amount of \$20,421. The following is a summary of the changes in the long term obligations for the year ended December 31, 2017.

	<b>Compensated Absences</b>
Balance as of January 1, 2017	\$22,035
Additions	22,210
Deductions	(13,573)
Balance as of December 31, 2017	<u>30,672</u>
Long term portion	<u>20,421</u>
Amount due in one year (Short term)	<u>\$10,251</u>

**NOTE G – POST EMPLOYMENT RETIREMENT BENEFITS**

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

**NOTE H - RETIREMENT PLAN**

The authority participates in the Housing Agency Retirement Trust plan, administered by Mercer, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

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

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**

THIBODAUX, LOUISIANA

Notes to the Financial Statements, 2017 - continued

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

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

The authority's total payroll for the year ended December 31, 2017, was \$314,574. The authority's contributions were calculated using the base salary amount of \$240,502. The authority made the required contributions of \$19,240 for the year ended December 31, 2017.

*NOTE I – RISK MANAGEMENT*

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

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

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

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

*NOTE J – LITIGATION AND CLAIMS*

At December 31, 2017, the authority is involved in litigation. Management and the authority's attorneys believe that the authority's insurance coverage would cover any potential losses due to adverse litigation. The authority may be responsible for the amount of insurance deductible, which is not a material amount. The financial statements do not include recordation of any litigation contingency.

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**

THIBODAUX, LOUISIANA

Notes to the Financial Statements, 2017 - continued

*NOTE K – FEDERAL COMPLIANCE CONTINGENCIES*

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

*NOTE L – RELATED PARTY TRANSACTIONS*

Effective 5-1-15 the Thibodaux Housing Authority (THA) entered into an interagency agreement with the Lafourche Parish Housing Authority (LPHA) whereby the LPHA Executive Director is appointed acting executive director of THA. THA will pay LPHA a monthly fee of \$8,802.00. The acting executive director (not LPHA) will manage the operations of THA and will report directly to the THA Board of Commissioners. The agreement is for a 1 year term and is automatically renewed for additional 1 year periods at the same terms and conditions. LPHA will pay all salary, benefits, insurance, and taxes for the Acting executive director out of the monthly fee and the acting executive director will be considered the full time employee of LPHA for all purposes relating to salary and benefits. THA indemnifies the acting executive director, LPHA, and all individuals and agents representing LPHA.

*NOTE M – SUBSEQUENT EVENTS*

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through April 12, 2018 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

*NOTE N – ECONOMIC DEPENDENCE*

Financial Accounting Standards Boards Accounting Standards Codification 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$1,002,948 to the authority, which represents approximately 52% of the authority's total revenue for the year.

# Financial Data Schedule

Housing Authority of the City of Thibodaux (LA044)  
Thibodaux, LA  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$3,150,820	\$3,150,820	\$3,150,820
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$37,245	\$37,245	\$37,245
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0
100 Total Cash	\$3,188,065	\$3,188,065	\$3,188,065
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$3,060	\$3,060	\$3,060
124 Accounts Receivable - Other Government	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$18,321	\$18,321	\$18,321
126 Accounts Receivable - Tenants	\$7,649	\$7,649	\$7,649
126.1 Allowance for Doubtful Accounts -Tenants	-\$2,730	-\$2,730	-\$2,730
126.2 Allowance for Doubtful Accounts - Other	-\$1	-\$1	-\$1
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$26,299	\$26,299	\$26,299
131 Investments - Unrestricted	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$38,798	\$38,798	\$38,798
143 Inventories	\$15,502	\$15,502	\$15,502
143.1 Allowance for Obsolete Inventories	-\$775	-\$775	-\$775
144 Inter Program Due From	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0
150 Total Current Assets	\$3,267,889	\$3,267,889	\$3,267,889
161 Land	\$552,040	\$552,040	\$552,040
162 Buildings	\$17,131,505	\$17,131,505	\$17,131,505
163 Furniture, Equipment & Machinery - Dwellings	\$174,354	\$174,354	\$174,354
164 Furniture, Equipment & Machinery - Administration	\$280,130	\$280,130	\$280,130
165 Leasehold Improvements	\$3,194,194	\$3,194,194	\$3,194,194
166 Accumulated Depreciation	-\$16,968,216	-\$16,968,216	-\$16,968,216
167 Construction in Progress	\$424,712	\$424,712	\$424,712
168 Infrastructure	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,788,719	\$4,788,719	\$4,788,719
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0
180 Total Non-Current Assets	\$4,788,719	\$4,788,719	\$4,788,719
200 Deferred Outflow of Resources	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$8,056,608	\$8,056,608	\$8,056,608

# Financial Data Schedule

## Housing Authority of the City of Thibodaux (LA044) Thibodaux, LA

### Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	Subtotal	Total
311 Bank Overdraft	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$21,334	\$21,334	\$21,334
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$10,251	\$10,251	\$10,251
324 Accrued Contingency Liability	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$62,514	\$62,514	\$62,514
341 Tenant Security Deposits	\$37,245	\$37,245	\$37,245
342 Unearned Revenue	\$3,534	\$3,534	\$3,534
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$20,003	\$20,003	\$20,003
347 Inter Program - Due To	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0
310 Total Current Liabilities	\$154,881	\$154,881	\$154,881
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$20,421	\$20,421	\$20,421
355 Loan Liability - Non Current	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$20,421	\$20,421	\$20,421
300 Total Liabilities	\$175,302	\$175,302	\$175,302
400 Deferred Inflow of Resources	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$4,788,719	\$4,788,719	\$4,788,719
511.4 Restricted Net Position	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$3,092,587	\$3,092,587	\$3,092,587
513 Total Equity - Net Assets / Position	\$7,881,306	\$7,881,306	\$7,881,306
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$8,056,608	\$8,056,608	\$8,056,608

# Financial Data Schedule

## Housing Authority of the City of Thibodaux (LA044) Thibodaux, LA

### Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$859,648	\$859,648	\$859,648
70400 Tenant Revenue - Other	\$54,235	\$54,235	\$54,235
70500 Total Tenant Revenue	\$913,883	\$913,883	\$913,883
70600 HUD PHA Operating Grants	\$879,354	\$879,354	\$879,354
70610 Capital Grants	\$123,594	\$123,594	\$123,594
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$1,335	\$1,335	\$1,335
71200 Mortgage Interest Income	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0
71500 Other Revenue	\$20,222	\$20,222	\$20,222
71600 Gain or Loss on Sale of Capital Assets	\$2,900	\$2,900	\$2,900
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$1,941,288	\$1,941,288	\$1,941,288
91100 Administrative Salaries	\$89,023	\$89,023	\$89,023
91200 Auditing Fees	\$13,115	\$13,115	\$13,115
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$1,144	\$1,144	\$1,144
91500 Employee Benefit contributions - Administrative	\$33,799	\$33,799	\$33,799
91600 Office Expenses	\$149,831	\$149,831	\$149,831
91700 Legal Expense	\$0	\$0	\$0
91800 Travel	\$4,042	\$4,042	\$4,042
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$11,349	\$11,349	\$11,349
91000 Total Operating - Administrative	\$302,303	\$302,303	\$302,303
92000 Asset Management Fee	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0
92400 Tenant Services - Other	\$750	\$750	\$750
92500 Total Tenant Services	\$750	\$750	\$750

# Financial Data Schedule

## Housing Authority of the City of Thibodaux (LA044) Thibodaux, LA

### Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	Subtotal	Total
93100 Water	\$73,918	\$73,918	\$73,918
93200 Electricity	\$64,104	\$64,104	\$64,104
93300 Gas	\$46,571	\$46,571	\$46,571
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$4,694	\$4,694	\$4,694
93600 Sewer	\$67,477	\$67,477	\$67,477
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0
93000 Total Utilities	\$256,764	\$256,764	\$256,764
94100 Ordinary Maintenance and Operations - Labor	\$225,551	\$225,551	\$225,551
94200 Ordinary Maintenance and Operations - Materials and Other	\$125,737	\$125,737	\$125,737
94300 Ordinary Maintenance and Operations Contracts	\$175,423	\$175,423	\$175,423
94500 Employee Benefit Contributions - Ordinary Maintenance	\$86,172	\$86,172	\$86,172
94000 Total Maintenance	\$612,883	\$612,883	\$612,883
95100 Protective Services - Labor	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$69,345	\$69,345	\$69,345
95300 Protective Services - Other	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0
95000 Total Protective Services	\$69,345	\$69,345	\$69,345
96110 Property Insurance	\$108,203	\$108,203	\$108,203
96120 Liability Insurance	\$21,269	\$21,269	\$21,269
96130 Workmen's Compensation	\$19,365	\$19,365	\$19,365
96140 All Other Insurance	\$16,199	\$16,199	\$16,199
96100 Total Insurance Premiums	\$165,036	\$165,036	\$165,036
96200 Other General Expenses	\$0	\$0	\$0
96210 Compensated Absences	\$28,149	\$28,149	\$28,149
96300 Payments in Lieu of Taxes	\$73,488	\$73,488	\$73,488
96400 Bad debt - Tenant Rents	\$7,444	\$7,444	\$7,444
96500 Bad debt - Mortgages	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0
96000 Total Other General Expenses	\$109,081	\$109,081	\$109,081
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,516,162	\$1,516,162	\$1,516,162
97000 Excess of Operating Revenue over Operating Expenses	\$425,126	\$425,126	\$425,126

# Financial Data Schedule

## Housing Authority of the City of Thibodaux (LA044) Thibodaux, LA

### Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	Subtotal	Total
97100 Extraordinary Maintenance	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$8,547	\$8,547	\$8,547
97300 Housing Assistance Payments	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$547,105	\$547,105	\$547,105
97500 Fraud Losses	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0	\$0	\$0
90000 Total Expenses	\$2,071,814	\$2,071,814	\$2,071,814
10010 Operating Transfer In	\$0	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$130,526	-\$130,526	-\$130,526
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$8,011,832	\$8,011,832	\$8,011,832
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	3650	3650	3650
11210 Number of Unit Months Leased	3443	3443	3443
11270 Excess Cash	\$2,933,137	\$2,933,137	\$2,933,137
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$123,594	\$123,594	\$123,594
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 the City of Thibodaux**

### **Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the Year Ended December 31, 2017**

Ms. Beryl Pitre, Executive Director for the Housing Authority of Lafourche Parish (LPHA) is the acting director for Thibodaux Housing Authority. Thibodaux Housing Authority pays a management fee to LPHA through a management agreement. There were no salaries, reimbursements or other payments made to Ms. Pitre.

**Housing Authority of the City of Thibodaux**  
**Thibodaux, Louisiana**  
**Statement and Certification of Actual Modernization Costs**  
**For the Year Ended December 31, 2017**

Project Number:	LA48P044501-15
Original Funds Approved	\$ 436,732
Less Funds Expended (Actual Modernization Cost)	<u>436,732</u>
Excess Funds Approved	<u><u>\$ -</u></u>
Funds Disbursed	\$ 436,732
Less Funds Expended (Actual Modernization Cost)	<u>436,732</u>
Excess Funds Disbursed	<u><u>\$ -</u></u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Report dated March 16, 2017, accompanying the Actual Modernization Cost Certificates, submitted to HUD for approval are in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payments.

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures enumerated below, which were agreed to by Thibodaux Housing Authority (Authority) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Authority's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1. Obtain 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 procedures performed:**

I reviewed the written policy for each of the above listed functions and noted the following exceptions:

**Budgeting** – I suggest that the authority revise their policy to address monitoring budget vs. actual.

**Purchasing** - The Authority's policies do not include a maintaining a vendor list. I consider this not considered necessary (NCN) to properly manage a small housing authority (PHA). The authority's policies do not address the use of purchase orders or requisitions for initiating purchases.

**Receipts** – I suggest the authority modify their procedures to address segregation of duties regarding tenant rent collections.

**Payroll** – I suggest that the authority consider updating their policies relating to payroll processing.

**Contracting** – The Authority's policies do not address a legal review function of contracts. I consider this requirement NCN for small PHA's.

**Debt Service** – N/A

**Management's response/corrective action plan:**

We will revise or adopt written policies/procedures to address the exceptions noted above.

**Board (or Finance Committee, if applicable)**

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- 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 procedures performed:**

- a) The board met in accordance with the PHA by-laws.
- b) The minutes included monthly budget to actual comparisons of the general fund.
- c) Non budgetary information was included.

**Bank Reconciliations**

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

**Results of procedures performed:**

**Management represents 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 procedures performed:**

- a) Monthly bank reconciliations were prepared by the independent fee accountant.
- b) Management reviewed each bank reconciliation.

c] There were no outstanding checks over six months old.

### ***Collections***

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

#### **Results of procedures performed:**

**Management represents that the list is 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 procedures performed:**

**a1] All employees are bonded.**

**a(2), a(3)] Exception - The written policy/procedures provided to me for Public Housing rent collection do not address segregation of duties nor the process relating to collecting, depositing**

and reconciling collections. Otherwise this PHA is providing adequate segregation of duties based on their staffing budgets.

Note that there are compensated controls performed by a fee accountant on collection functions.

b] No exceptions noted with this testing

c] No exceptions noted with this testing

**Management's response/corrective action plan:**

We will revise our policies and procedures relating to all collection functions.

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 procedures performed:**

The authority has a process to determine completeness for all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections. The independent fee accountant ensures completeness for all collections, including electronic transfers, for each revenue source and agency fund additions; however, the authority does not have written policies or procedures describing the process.

**Management's response/corrective action plan:**

We will modify our policies per the auditor's suggestion to describe the actual procedure in place whereby the independent fee accountant ensures completion.

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

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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 procedures performed:**

Management represents 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 procedures performed:**

- a) No exceptions noted with this testing.
- b) No exceptions noted with this testing.
- c) No exceptions noted with this testing.

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 procedures performed:**

**There was no documentation in writing that the person responsible for processing payments is prohibited from adding vendors to the authority's purchasing system, although the Executive Director reviews all vendors. I consider the policies and processes in place to be adequate for this small authority.**

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 procedures performed:**

**The persons with signatory authority or who makes the final authorization for material disbursements have no responsibility for initiating 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 procedures performed:**

**Unused checks are maintained in a locked location, with access restricted to those persons that do not have signatory authority,**

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

**Results of procedures performed:**

**The authority does not use a signature stamp or machine.**

**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 procedures performed:**

**Management represents that the list is 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 procedures performed:**

**a] There is evidence that the monthly statements and supporting documentation that I tested were reviewed and approved, in writing, by someone other than the authorized card holder.**

**b] there were no finance or late charges noted**

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 procedures performed:**

**We performed the above listed procedures and noted no exceptions.**

**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 procedures performed:**

**Management represents that the list is 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 procedures performed:**

**No exceptions noted.**

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 procedures performed:**

I performed the above listed procedures and noted no exceptions.

**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 procedures performed:**

**Management represents that the list is 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 procedures performed:**

- a) There is a formal/written contract that supports the services arrangement and the amount paid for each contract I tested.
- b) One of the contracts I tested was subject to Louisiana Public Bid Law. Bids were obtained for each contract tested.
- c) There was one board approved change order for \$36,500. The total contract amount was \$185,580.
- d) I selected the largest payment from each of the contracts, obtained the supporting invoice, compared the invoice to the contract terms, and confirmed that the invoice and related payment complied with the terms and conditions of the contract.
- e) The board approved all contracts tested.

**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 procedures performed:**

**Management provided me a list of employees and represents that the list is complete.**

**a) I tested 5 employees compensation during the period and confirmed that payments were made in strict accordance with the terms and conditions of the pay rate structure.**

**b) There were no changes to salaries during the period.**

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 procedures performed:**

**a) The selected employees documented their daily attendance and leave.**

**b) There is written documentation that a supervisor approved the attendance and leave of the selected employees/officials.**

**c) There is written documentation that the entity maintained written leave records on those selected employees that earned leave.**

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 procedures performed:**

**Management asserts that there were no terminations during the period.**

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 procedures performed:**

No exceptions were noted in the above test.

*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 procedures performed:**

I reviewed ethics training certificates for each of the 5 employees selected and noted no exceptions.

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 procedures performed:**

Management represents that no alleged ethics violations were reported to them during the 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 procedures performed:**

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 procedures performed:**

Not applicable.

30. If the entity had tax millages 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 procedures performed:**

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 procedures performed:**

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

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

**Results of procedures performed:**

**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 procedures performed:**

**No exceptions noted**

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation  
Mandeville, Louisiana

April 12, 2018

**William Daniel McCaskill, CPA**  
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Member of  
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American Institute of CPA's

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

Board of Commissioners  
**Housing Authority of the City of Thibodaux**  
Thibodaux, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Thibodaux, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the authority's basic financial statements, and have issued my report thereon dated April 12, 2018.

**Internal Control Over Financial Reporting**

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

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

## HOUSING AUTHORITY OF THE CITY OF THIBODAUX

Thibodaux, Louisiana

Report on Internal Control... *Government Auditing Standards*, 2017

Page Two

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

April 12, 2018

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners  
**Housing Authority of the City of Thibodaux**  
Thibodaux, Louisiana

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

I have audited the Housing Authority of the City of Thibodaux'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 authority's major federal programs for the year ended December 31, 2017. The authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**  
Thibodaux, Louisiana  
Report on Compliance... Uniform Guidance, 2017  
Page Two

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the authority's compliance.

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

In my opinion, the authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

**Report on Internal Control Over Compliance**

Management of the authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the authority'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, I do not express an opinion on the effectiveness of the authority's internal control over compliance.

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

My 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**HOUSING AUTHORITY OF THE CITY OF THIBODAUX**

Thibodaux, Louisiana

Report on Compliance... Uniform Guidance, 2017

Page Three

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

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

April 12, 2018

**Housing Authority of the City of Thibodaux**  
 Thibodaux, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2017

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Housing and Urban Development:</b>		
Direct Programs:		
Low Rent Public Housing	14.850a	\$ 879,354
Public Housing Capital Fund Program	14.872	123,594
Total Federal Expenditures		<u>\$ 1,002,948</u>

See accompanying notes to schedule of expenditures of federal awards.

# HOUSING AUTHORITY OF THE CITY OF THIBODAUX

Thibodaux, Louisiana

## Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2017

### NOTE A—Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Authority under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

### NOTE B—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 Authority has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

### NOTE C – Relationship to Basic Financial Statements

Federal awards revenues are reported in the authority's basic financial statements as follows:

Public and Indian Housing—Low Rent Program	\$ 879,354
Capital Fund Program	\$ 123,594

### NOTE D – 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 GAAP.

### NOTE E- FEDERAL AWARDS

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 9814, "federal awards" do not include the authority's operating income from rents or investments (or other Non-federal sources). In addition, the entire amount of operating subsidy received and/or accrued during the fiscal year is considered to be expended during the fiscal year.

# HOUSING AUTHORITY OF THE CITY OF THIBODAUX

Thibodaux, Louisiana

## Schedule of Findings and Questioned Costs Fiscal Year Ended December 31, 2017

### Section I—Summary of Auditor's Results

#### *Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes \_\_\_X\_\_\_no
- Significant deficiency(ies) identified? \_\_\_\_\_yes \_\_\_X\_\_\_none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes \_\_\_X\_\_\_no

#### *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_yes \_\_\_X\_\_\_no
- Significant deficiency(ies) identified? \_\_\_\_\_yes \_\_\_X\_\_\_none reported

Type of auditor's report issued on compliance for Major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) \_\_\_\_\_yes \_\_\_X\_\_\_no

Identification of major federal programs:

CFDA	Name of Federal Program
14.850	Public and Indian Housing – Low Rent Program

# HOUSING AUTHORITY OF THE CITY OF THIBODAUX

Thibodaux, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended December 31, 2017

The dollar threshold used for distinguishing between Type A and B programs was \$750,000.

Auditee qualified as a low-risk auditee?                      X   yes           no

## **SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

## **SECTION III - FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

# **HOUSING AUTHORITY OF THE CITY OF THIBODAUX**

Thibodaux, Louisiana

Schedule of Prior Year Audit Findings  
Fiscal Year Ended December 31, 2017

There were no findings in the prior audit.

# **HOUSING AUTHORITY OF THE CITY OF THIBODAUX**

Thibodaux, Louisiana

Schedule of Compensation Paid to Board Members  
Fiscal Year Ended December 31, 2017

Board members serve without compensation