

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**MANAGEMENT'S DISCUSSION & ANALYSIS  
AND AUDITED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**REPORT ON EXAMINATION  
OF FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**



**UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION  
AND OTHER INFORMATION – STATE OR LOCAL GOVERNMENTAL ENTITY**

*INDEPENDENT AUDITOR'S REPORT*

Board of Commissioners  
Housing Authority of the  
Town of Farmerville  
Farmerville, Louisiana 71241

HUD – New Orleans Office  
501 Magazine 9<sup>th</sup> Floor  
New Orleans, Louisiana 70130

**Report on Financial Statements**

We have audited the accompanying financial statements of the Housing Authority of the Town of Farmerville as of and for the year ended September 30, 2016, and the related notes to the financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the Town of Farmerville, as of September 30, 2016, and the respective changes in financial position and, where appropriate, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

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

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

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Housing Authority of the Town of Farmerville. The accompanying Financial Data Schedules and Special Reports required by the U.S. Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

This 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2017 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



Rector, Reeder & Lofton, P.C.  
Certified Public Accountants

Lawrenceville, Georgia  
March 16, 2017

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

# **HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE MANAGEMENT'S DISCUSSION & ANALYSIS FISCAL YEAR ENDED SEPTEMBER 30, 2016**

This section of the Authority's annual financial report presents Management's analysis of the Authority's financial performance during the Fiscal Year Ended September 30, 2016.

## **FINANCIAL HIGHLIGHTS AND CONCLUSIONS**

The Housing Authority of the Town of Farmerville had a good year as illustrated by the outcome of its fiscal year operations. Total Net Position decreased by \$2,845 or 0.69%. The financial indicators continue to maintain an above average score as established by the Real Estate Assessment Center (REAC). Based on our calculation of the financial score, the Authority should receive a designation of "high performer" under the Financial Assessment Sub System (FASS).

## **REQUIRED FINANCIAL STATEMENTS**

The Financial Statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Position (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

The current year's revenues, expenses, and changes in net position are accounted for in the Statement of Revenues, Expenses and Change in Net Position. This statement measures the success of the Authority's operations over the past fiscal year.

The purpose of the Statement of Cash Flows is to provide information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations.

## **FINANCIAL ANALYSIS OF THE AUTHORITY**

One question frequently asked about an Authority's finances is "Did the Authority's operations and financial position improve or deteriorate over the previous fiscal year?" The Statement of Net Position and the Statement of Revenues, Expenses and Change in Net Position report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority’s Statement of Net Position is presented in Table I, which follows.

**Housing Authority of the Town of Farmerville  
Comparative Statement of Net Position**

**TABLE I**

	<b>2016</b>	<b>2015</b>	<b>Total Change</b>	<b>% Change</b>
Current Assets	\$ 131,228	\$ 152,492	\$ (21,264)	-13.94%
Capital Assets	309,655	277,322	32,333	11.66%
<b>Total Assets</b>	<b>\$ 440,883</b>	<b>\$ 429,814</b>	<b>\$ 11,069</b>	<b>2.58%</b>
Current Liabilities	\$ 29,761	\$ 15,847	\$ 13,914	87.80%
Noncurrent Liabilities	-	-	-	0.00%
<b>Total Liabilities</b>	<b>29,761</b>	<b>15,847</b>	<b>13,914</b>	<b>87.80%</b>
Investment in Capital Assets	309,655	277,322	32,333	11.66%
Unrestricted	101,467	136,645	(35,178)	-25.74%
<b>Total Net Position</b>	<b>411,122</b>	<b>413,967</b>	<b>(2,845)</b>	<b>-0.69%</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 440,883</b>	<b>\$ 429,814</b>	<b>\$ 11,069</b>	<b>2.58%</b>

Total assets increased by \$11,069 or 2.58%. This was a result of increases in capital assets of \$32,333 or 11.66%. Current assets decreased by \$21,264 or 13.94% due to decreases in amounts due from HUD. Tenant accounts receivable also decreased by \$145 or 100.00% due increased collections during the year.

Total liabilities increased by \$13,914 or 87.80%. Accounts payable to other governments increased by \$8,767 or 91.38% due to the 2015 PILOT payment still outstanding at the end of the year. Accounts payable to vendors also increased by \$5,005 due to the timing of year end payments.

As illustrated in the above Comparative Statement of Net Position, the overall Net Position of the Authority decreased slightly by \$2,845 or 0.69%.

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses and Changes in Net Position breaks down our revenues and expenses further.

Table II, which follows, provides a comparative statement of these changes in Net Position.

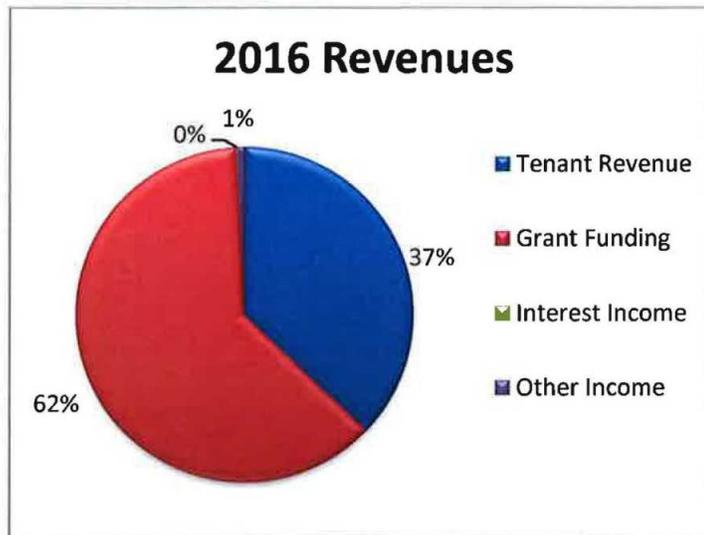
**Housing Authority of the Town of Farmerville  
Comparative Statement of Revenues, Expenses and Changes in Net Position**

**TABLE II**

	<b>2016</b>	<b>2015</b>	<b>Total Change</b>	<b>% Change</b>
Tenant Revenue	\$ 98,308	\$ 108,287	\$ (9,979)	-9.22%
Grant Funding	164,338	100,773	63,565	63.08%
Interest Income	161	69	92	133.33%
Other Income	2,029	-	2,029	100.00%
<b>Total Revenue</b>	<b>264,836</b>	<b>209,129</b>	<b>55,707</b>	<b>26.64%</b>
Administration	104,757	64,334	40,423	62.83%
Utilities	1,986	2,145	(159)	-7.41%
Maintenance	90,794	85,314	5,480	6.42%
General	26,798	34,696	(7,898)	-22.76%
Depreciation	43,346	42,403	943	2.22%
<b>Total Expenses</b>	<b>267,681</b>	<b>228,892</b>	<b>38,789</b>	<b>16.95%</b>
Change in Net Position	(2,845)	(19,763)	16,918	-85.60%
Beginning Net Position	413,967	433,730	(19,763)	-4.56%
<b>Ending Net Position</b>	<b>\$ 411,122</b>	<b>\$ 413,967</b>	<b>\$ (2,845)</b>	<b>-0.69%</b>

**REVENUES**

In reviewing the Statement of Revenues, Expenses and Changes in Net Position, you will find that 62% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development. The Authority receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges for 37% of total revenue. Other Revenue and interest income comprise 1% of total revenue. Compared to the Fiscal Year Ended September 30, 2015, revenues showed an overall increase of \$55,707 or 26.64%.



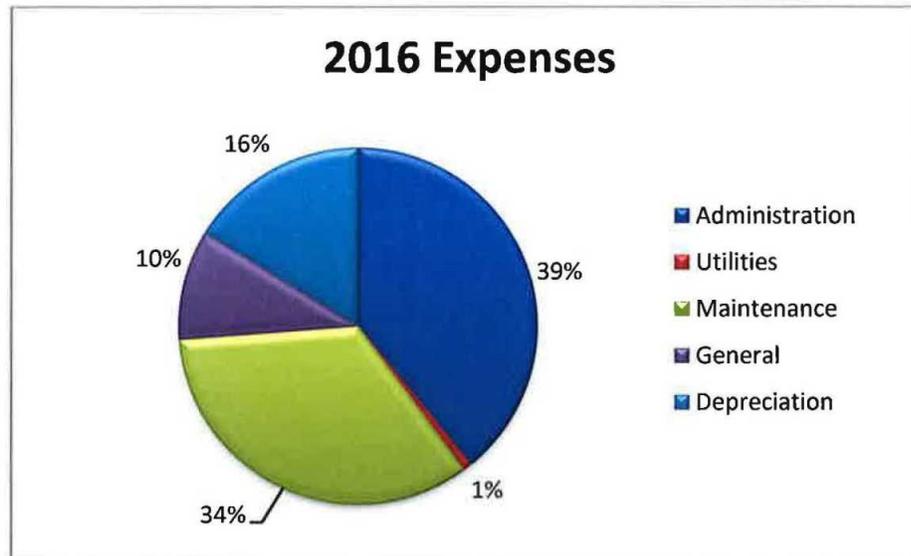
**Tenant Revenue** - Tenant Revenue decreased from \$108,287 to \$98,308, a decrease of \$9,979 or 9.22%. Dwelling rent revenue typically changes in relation to changes in the number of working family tenants and changes in dwelling unit occupancy.

**Program Grants/Subsidies** - The Authority experienced an increase of \$63,565 or 63.08% in Grant Funding from \$100,773 in FY 2015 to \$164,338 in FY 2016. The primary cause of this increase was increased modernization costs in the Capital Fund Program.

**Interest Income and Other Income** - Interest income increased by \$92 as a result of higher interest rates earned on deposits. Other income increased by \$2,029 due to the receipt of an insurance dividend in the current year.

## EXPENSES

The Housing Authority of the Town of Farmerville experienced an increase in expenses for the current year from \$228,892 to \$267,681, an increase of \$38,789 or 16.95%.



The highlights of changes in expenses for the current year are as follows:

**Administrative** - Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2015, administrative costs increased by \$40,423 or 62.83% primarily due to a \$38,048 increase in other operating administrative expense. The increase in other operating administrative expenses is due largely to an increase in outside management fees and office expenses.

**Utilities** - The total utilities expense for the Authority decreased by \$159 or 7.41%. The decrease is due mainly to a decrease in gas expense of \$281 or 38.08%. This decrease was offset by increases in water expense of \$25 or 9.09% and electricity expense of \$107 or 9.99%.

**Maintenance** - Maintenance costs are all costs incurred by the Authority to maintain its Public Housing units in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management and telephone/radio service, etc. Maintenance expenses for the Authority increased from \$85,314 to \$90,794, an increase of \$5,480 or 6.42%. This is mainly attributable to the net increase of maintenance contracts in the amount of \$10,464 or 15.77% due to more projects during the year.

**General Expenses** - General expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, lead based paint insurance, etc.), collection losses, and interest expense. General expenses for the Authority decreased from \$34,696 to \$26,798, a decrease of \$7,898 or 22.76%. Insurance premiums decreased by \$4,556 or 23.15% due to decreased premium costs. Bad debt expense decreased by \$2,516 or 46.40% due to decreased write offs from the prior year.

**Depreciation** - Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items is recorded as depreciation. Depreciation expense for the current year increased by \$943 or 2.22%.

**CAPITAL ASSETS**

As of September 30, 2016, the Authority's net capital assets increased by \$32,333 or 11.66% to \$309,655. The following illustrates the Capital Asset values for 2015 and 2016.

**Housing Authority of the Town of Farmerville  
Comparative Statement of Capital Assets  
TABLE III**

	2016	2015	Total Change	% Change
Land	\$ 6,430	\$ 6,430	-	0.00%
Buildings & improvements	1,566,188	1,489,688	76,500	5.14%
Equipment	69,393	70,830	(1,437)	-2.03%
Construction in Progress	-	-	-	0.00%
	<u>1,642,011</u>	<u>1,566,948</u>	<u>75,063</u>	<u>4.79%</u>
Accumulated Depreciation	(1,332,356)	(1,289,626)	(42,730)	3.31%
<b>Total Capital Assets</b>	<u><b>\$ 309,655</b></u>	<u><b>\$ 277,322</b></u>	<u><b>\$ 32,333</b></u>	<u><b>11.66%</b></u>

Major changes in the capital asset accounts are summarized below:

Balance at October 1, 2015	\$ 277,322
Current period additions – capital funds	76,500
Current period dispositions, net	(821)
Current period depreciation expense	<u>(43,346)</u>
<b>Balance at September 30, 2016</b>	<u><b>\$ 309,655</b></u>

## **DEBT OBLIGATIONS**

As of September 30, 2016, the Authority had no outstanding debt.

## **ECONOMIC FACTORS**

Several significant economic factors affecting the Housing Authority are as follows:

- Congressional funding of the Department of Housing and Urban Development, including an additional “subsidy allocation adjustments.”
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- Health care and other insurance costs are expected to increase dramatically over the next several years especially due to the Affordable Care Act.

## **CONCLUSIONS**

Overall, the Housing Authority of the Town of Farmerville had a good year financially. Its management is committed to staying abreast of regulations and appropriations as well as maintaining an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

This financial report is designed to provide our residents, the citizens of Farmerville, Louisiana, all federal and state regulatory bodies, and any creditors with a general overview of the Authority’s finances. If you have any questions regarding these financial statements or supplemental information, you may contact the Executive Director or Assistant Executive Director at (318) 255-3644, or address your correspondence to: Housing Authority of the Town of Farmerville, P.O. Box 446, Farmerville, LA 71241.

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2016**

**ASSETS**

**Current Assets**

Cash & cash equivalents - unrestricted	\$ 118,766
Cash & cash equivalents - restricted	5,490
Accounts receivable	18
Prepaid insurance & inventories	<u>6,954</u>
 Total Current Assets	 <u>131,228</u>

**Capital Assets**

Land	6,430
Buildings & improvements	1,566,188
Furniture & equipment	69,393
Construction in progress	-
Less: Accumulated depreciation	<u>(1,332,356)</u>
 Total Capital Assets	 <u>309,655</u>

**TOTAL ASSETS** **\$ 440,883**

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

**LIABILITIES & NET POSITION**

**Current Liabilities**

Accounts payable	\$	23,910
Tenant security deposits		5,490
Accrued liabilities - other		-
Unearned revenue		<u>361</u>
Total Current Liabilities		<u>29,761</u>
TOTAL LIABILITIES		<u>29,761</u>

**NET POSITION**

Investment in Capital Assets		309,655
Unrestricted		<u>101,467</u>
TOTAL NET POSITION		<u>411,122</u>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$</b>	<b><u><u>440,883</u></u></b>

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**Operating Revenues**

Dwelling rent	\$	98,308
Governmental grants & subsidy		87,838
Other income		2,029
		188,175
<b>Total Operating Revenues</b>		<b>188,175</b>

**Operating Expenses**

Administration		104,757
Utilities		1,986
Maintenance & operations		90,794
General expense		26,798
Depreciation		43,346
		267,681
<b>Total Operating Expenses</b>		<b>267,681</b>

NET INCOME/(LOSS) FROM OPERATIONS		(79,506)
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**Nonoperating Revenue/(Expenses)**

Investment income		161
		161
<b>Net Nonoperating Revenue/(Expenses)</b>		<b>161</b>

<b>Net Income/(Loss) before capital grants</b>		(79,345)
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Capital Grants		76,500
		76,500

<b>Net Increase/(Decrease) in Net Position</b>		(2,845)
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Total Net Position - beginning		413,967
		413,967

Total Net Position - ending	\$	411,122
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The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$	115,146
Governmental grants & subsidy - operations		87,838
Payments to suppliers		<u>(206,929)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		<u>(3,945)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received		<u>161</u>
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES		<u>161</u>

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

Net proceeds from disposition		821
Additions to capital assets - Capital Grants		(76,500)
Capital grant funds received		<u>76,500</u>
NET CASH PROVIDED/(USED) BY CAPITAL & RELATED FINANCING ACTIVITIES		<u>821</u>

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(2,963)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		<u>127,219</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$	<u><u>124,256</u></u>

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Operating Income/(Loss)	\$	(79,506)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		43,346
Decrease (Increase) in accounts receivable		17,573
Decrease (Increase) in prepaid expenses/inventories		728
Increase (Decrease) in accounts payable		13,772
Increase (Decrease) in security/trust deposits		25
Increase (Decrease) in unearned revenue		<u>117</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	\$	<u><u>(3,945)</u></u>

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

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:**

**1. Introduction:**

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The following summary of the more significant accounting policies is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

**2. Organization:**

The Housing Authority of the Town of Farmerville ("The Authority") is a public body and a body corporate and politic organized under the laws of the State of Louisiana for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the Mayor appoints a Governing Board for but the Board designates its own management. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

**3. Reporting Entity:**

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 and Number 61 of the Government Accounting Standards Board, the Financial Reporting Entity.*

**Financial Accountability** - The Authority is responsible for its debts, does not impose a financial burden on the Town of Farmerville and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

**Appointment of a Voting Majority** - The Authority is governed by a Board of Commissioners appointed by the CEO of Town of Farmerville and has governance responsibilities over all activities related to all housing activities within Town of Farmerville. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the Town; i.e., they can be removed only for cause. The Authority's Board elects its own chairperson.

**Imposition of Will** - The Town has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**3. Reporting Entity: (Cont'd)**

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units neither of the Authority nor for the Authority to be included in Town of Farmerville financial reports therefore, the Authority reports independently. During the review of the Authority's budgets, annual contributions contract, minutes of the Board of Commissioner's meetings, cash receipts and cash disbursements for the reporting period disclosed that the Authority operated the following programs under Annual Contributions Contracts:

1. Public and Indian Housing – The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income families and the elderly.
2. Public Housing Capital Fund Program – The objective of this program is to improve the physical condition of the Low Income Public Housing units and upgrade the management of the program.

**4. Basis of Presentation, Basis of Accounting and Measurement Focus:**

Basis of Accounting - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on its statement of net position.

Proprietary fund equity is segregated into three broad components: Net Investment in Capital Assets, Restricted and Unrestricted. The Authority uses a proprietary, enterprise fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

**5. Revenues and Expenses:**

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operating activities, including rental related income, interest income and other sources of revenues, are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**6. Encumbrances:**

Encumbrances represent commitments related to unperformed contracts for goods or services. The Authority does not utilize encumbrance accounting.

**7. Budgets:**

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

**8. Inventories:**

Inventories are recorded at average cost. The consumption method is used to account for inventories. Under the consumption method, inventories are charged to expense when consumed.

**9. Capital Assets and Depreciation:**

Capital assets are stated at historical cost. Donated capital assets are stated at their fair market value on the date donated. This includes site acquisition and improvement, structures and equipment. All infrastructure assets were capitalized at the conclusion of development then dedicated to the Town of Farmerville for maintenance and repairs. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Position. The current adopted capitalization threshold is \$1,500 for both real property and equipment. The Authority uses the straight-line method for depreciation.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings & improvements	15-30 years
Furniture, fixtures & equipment	3-10 years
Vehicles	5- 7 years
Specialized use equipment	2-10 years

**10. Collection Losses:**

Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**11. Insurance:**

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

**12. Cash and Investments:**

1. The Authority cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments are stated at fair value, except for U. S. Treasury Bills, which are reported at amortized cost. The Authority reports all money market investments having a remaining maturity at time of purchase of one year or less at amortized cost. Investment securities are normally held to mature at par value and adjustments are made to the investment portfolio to reflect increases/(decreases) in gains made.

**13. Compensated Absences:**

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No.16, **Accounting for Compensated Absences**, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Because the Housing Authority is managed by the Housing Authority of the Town of Ruston, there are no employees and consequently no amounts recorded as a liability or an expense.

**14. Operating Revenue:**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position below the nonoperating revenue and expense.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**15. The terms of the Board are as follows:**

Charles Sawyer	09/30/2019
Otis Wright	09/30/2020
Linda Austin	09/30/2017
Verdell Ventroy	09/30/2016
Sharon Watley	09/30/2018

In addition to the above Commissioners, the Administrator of the Housing Authority is Woody Whittington, who serves on the Board as Secretary and is the Executive Director. Based upon the above criteria all the operations of the PHA are included in these financial statements and there are no operations or component units that have been excluded from this report.

**16. New Accounting Pronouncements:**

During FY2016, the Authority did not implement any new accounting pronouncements.

**NOTE B - CASH & CASH EQUIVALENTS:**

All the deposits of the Housing Authority of the Town of Farmerville are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. The Housing Authority of the Town of Farmerville has no policy regarding custodial credit risk for deposits.

At September 30, 2016, the Authority's cash deposits had a carrying amount of \$124,256 and bank balances of \$154,567. Of the bank balances held in one financial institution, the full amount was covered by federal depository insurance.

**Interest rate risk** - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 12 months or less.

**Credit risk** - The Authority has no policy regarding credit risk.

**Custodial credit risk** - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no policy on custodial credit risk.

**Concentration of credit risk** - The Authority places no limit on the amount that it may invest in certificates of deposits. The Authority has no policy regarding credit risk.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
(Continued)

**NOTE B - CASH & CASH EQUIVALENTS: (Cont'd)**

Checking accounts	\$ 84,198
Certificate of deposit – less than 90 days	<u>40,058</u>
	<u>\$ 124,256</u>

Of the above amount, \$5,490 is considered restricted for tenant security deposits.

**NOTE C - ACCOUNTS RECEIVABLE:**

Accounts receivable at September 30, 2016, consisted of the following:

Tenants (net of allowance for doubtful accounts of \$1,694)	\$ 0
A/R - miscellaneous	<u>18</u>
	<u>\$ 18</u>

**NOTE D - PREPAID EXPENSES:**

Prepaid expenses consisted of the following at September 30, 2016:

Prepaid insurance	<u>\$ 6,954</u>
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**NOTE E - CAPITAL ASSETS:**

The following is a summary of changes in the net capital assets during the fiscal year ended September 30, 2016:

	Beginning at 10/1/2015	Increases	Transfers/ Retirements	Depreciation	Balance at 9/30/2016
<b>Enterprise Activities</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 6,430	\$ -	\$ -	\$ -	\$ 6,430
Construction in progress	-	-	-	-	-
<b>Total capital assets not being depreciated</b>	<b>6,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,430</b>
Buildings & improvements	1,489,688	76,500	-	-	1,566,188
Furniture & equipment	70,830	-	(1,437)	-	69,393
<b>Total capital assets being depreciated</b>	<b>1,560,518</b>	<b>76,500</b>	<b>(1,437)</b>	<b>-</b>	<b>1,635,581</b>
Less accumulated depreciation for:					
Buildings & improvements	(1,227,063)	-	616	(40,806)	(1,267,253)
Furniture & equipment	(62,563)	-	-	(2,540)	(65,103)
<b>Total accumulated depreciation</b>	<b>(1,289,626)</b>	<b>-</b>	<b>616</b>	<b>(43,346)</b>	<b>(1,332,356)</b>
<b>Total capital assets being depreciated</b>	<b>270,892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303,225</b>
<b>Enterprise activity capital assets, net</b>	<b>\$ 277,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 309,655</b>

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
(Continued)

**NOTE F - ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES:**

Accounts payable at September 30, 2016, consisted of the following:

Vendors and contractors payable	\$ 749
Accounts payable – Ruston Housing Authority	4,800
Payment in lieu of taxes	18,361
Tenant security deposits	5,490
Unearned revenue	<u>361</u>
	<u>\$ 29,761</u>

**NOTE G - COMMITMENTS & CONTINGENCIES:**

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims liabilities are reported when it is probably that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2016, there were no liabilities to be reported.

The entity is subject to possible examinations made 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 refunds by the entity to federal grantors and/or program beneficiaries. There were no examinations conducted during the current year.

**Grants and contracts:**

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of September 30, 2016.

**Capital fund:**

The Authority receives capital funding each year for ongoing capital improvements and repairs and maintenance.

**NOTE H - RELATED PARTY TRANSACTIONS:**

There were no related party transactions to be reported for the fiscal year ended September 30, 2016. The Housing Authority of the Town of Farmerville is managed by the Housing Authority of Town of Ruston, which is considered to be an affiliate, but does not qualify as a component unit or as a related party. The Housing Authority reimburses the Housing Authority of Town of Ruston, for all applicable direct and indirect costs of operations.

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**  
(Continued)

**NOTE I - PENSION PLAN:**

The Authority does not have full-time employees and therefore does not provide a defined pension plan because the employees that provide work for the Housing Authority of the Town of Farmerville work for Housing Authority of the Town of Ruston and the pension plan is provided by Housing Authority of the Town of Ruston.

**NOTE J - RISK MANAGEMENT:**

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, causality, employee dishonesty and public official's liability forms are used to cover the respective perils. Commercial carriers insure all common perils such as business auto, computer and other miscellaneous policies.

**NOTE K - ECONOMIC DEPENDENCY:**

The PHA Owned Housing is economically dependent on annual contributions grants from the Federal government. The program operates at a loss prior to receiving the contributions and grants.

**NOTE L - IMPAIRMENT OF CAPITAL ASSETS:**

In accordance with new financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. During the fiscal year ended September 30, 2016, the Housing Authority of the Town of Farmerville experienced no impairments during the year.

**NOTE M - SUPPLEMENTAL INFORMATION:**

The supplemental information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

**NOTE N - SUBSEQUENT EVENTS:**

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the 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 March 16, 2017, 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.

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**SUPPLEMENTAL INFORMATION**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**



RECTOR & LOFTON  
REEDER & PC

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

*INDEPENDENT AUDITOR'S REPORT*

Board of Commissioners  
Housing Authority of the  
Town of Farmerville  
Farmerville, Louisiana 71241

HUD – New Orleans Office  
501 Magazine 9<sup>th</sup> Floor  
New Orleans, Louisiana 70130

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the Town of Farmerville, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Farmerville's basic financial statements, and have issued our report thereon dated March 16, 2017.

**Internal Control Over Financial Reporting**

Management of the Housing Authority of the Town of Farmerville is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Housing 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



Rector, Reeder & Lofton, PC  
Certified Public Accountants

Lawrenceville, Georgia  
March 16, 2017

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
**Farmerville, Louisiana**

**STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended September 30, 2015, contained no formal audit findings.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

***Financial Statements***

Type of report issued on the financial statements:	<b>Unmodified</b>
Internal control over financial reporting:	
Material weakness(es) identified?	<b>No</b>
Significant deficiency(ies) identified not considered to be material weaknesses?	<b>None reported</b>
Noncompliance material to the financial statements noted?	<b>No</b>

***Federal Awards***

Internal controls over major programs:	
Material weakness(es) identified?	<b>N/A</b>
Significant deficiency(ies) identified not considered to be material weaknesses?	<b>N/A</b>
Type of report issued on the compliance for major programs:	<b>N/A</b>
Any audit findings disclosed that are required to be reported under 2 CFR §200.516(a)?	<b>N/A</b>
Identification of major programs:	<b>NONE</b>

**Section II – Financial Statement Findings**

***Findings related to financial statements in accordance with GAGAS:***

NONE REPORTED

**Section III – Federal Award Findings and Questioned Costs**

***Findings and questioned costs for Federal Awards:***

N/A

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET POSITION ACCOUNTS**  
**SEPTEMBER 30, 2016**

<u>Account Description</u>	Public and Indian Housing 14.850	Public Housing Capital Fund 14.872	TOTAL
<b>ASSETS:</b>			
CURRENT ASSETS:			
Cash:			
Cash - unrestricted	\$ 118,766	\$ 0	\$ 118,766
Cash - tenant security deposits	5,490	0	5,490
Total Cash	<u>124,256</u>	<u>0</u>	<u>124,256</u>
Accounts and notes receivables:			
Accounts receivable - HUD other projects	0	0	0
Accounts receivable - miscellaneous	18	0	18
Accounts receivable - tenants - dwelling rents	1,694	0	1,694
Allowance for doubtful accounts	(1,694)	0	(1,694)
Accrued interest receivable	0	0	0
Total receivables, net of allowances for uncollectibles	<u>18</u>	<u>0</u>	<u>18</u>
Current investments:			
Investments - unrestricted	0	0	0
Prepaid expenses and other assets	6,954	0	6,954
Inventory - materials	0	0	0
Allowance for obsolete inventories	0	0	0
Interprogram due from	0	0	0
TOTAL CURRENT ASSETS	<u>131,228</u>	<u>0</u>	<u>131,228</u>
NONCURRENT ASSETS:			
Capital Assets			
Land	6,430	0	6,430
Buildings	1,335,870	0	1,335,870
Furniture, equipment & mach. - dwellings	13,390	0	13,390
Furniture, equipment & mach. - admin.	56,003	0	56,003
Leasehold improvements	230,318	0	230,318
Accumulated depreciation	(1,332,356)	0	(1,332,356)
Construction in progress	0	0	0
Total capital assets, net of accumulated depreciation	<u>309,655</u>	<u>0</u>	<u>309,655</u>
<b>TOTAL ASSETS</b>	<b>\$ 440,883</b>	<b>\$ 0</b>	<b>\$ 440,883</b>

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS  
SEPTEMBER 30, 2016**

<u>Account Description</u>	Public and Indian Housing 14.850	Public Housing Capital Fund 14.872	TOTAL
<b>LIABILITIES AND NET POSITION:</b>			
<b>LIABILITIES:</b>			
CURRENT LIABILITIES			
Accounts payable <= 90 days	\$ 5,549	\$ 0	\$ 5,549
Accrued wage/payroll taxes payable	0	0	0
Accrued compensated absences - current portion	0	0	0
Accrued interest payable	0	0	0
Accounts payable - HUD PHA programs	0	0	0
Accounts payable - other gov.	18,361	0	18,361
Tenant security deposits	5,490	0	5,490
Unearned revenue	361	0	361
Other current liabilities	0	0	0
Accrued liabilities - other	0	0	0
Interprogram (due to)	0	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>29,761</b>	<b>0</b>	<b>29,761</b>
<b>TOTAL LIABILITIES</b>	<b>29,761</b>	<b>0</b>	<b>29,761</b>
<b>NET POSITION:</b>			
Investment in Capital Assets	309,655	0	309,655
Unrestricted	101,467	0	101,467
<b>TOTAL NET POSITION</b>	<b>411,122</b>	<b>0</b>	<b>411,122</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 440,883</b>	<b>\$ 0</b>	<b>\$ 440,883</b>

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Account Description</u>	Public and Indian Housing 14.850	Public Housing Capital Fund 14.872	TOTAL
<b>REVENUES:</b>			
Net tenant rental revenue	\$ 89,664	\$ 0	\$ 89,664
Tenant revenue - other	8,644	0	8,644
Total tenant revenue	98,308	0	98,308
HUD PHA grants	78,038	9,800	87,838
HUD Capital grants	0	76,500	76,500
Investment income - unrestricted	161	0	161
Other revenue	2,029	0	2,029
<b>TOTAL REVENUES</b>	<b>\$ 178,536</b>	<b>\$ 86,300</b>	<b>\$ 264,836</b>
<b>EXPENSES:</b>			
Administrative			
Auditing fees	\$ 7,370	\$ 0	\$ 7,370
Outside management fees	0	0	0
Advertising & marketing	36	0	36
Office expenses	82,457	0	82,457
Legal expense	0	0	0
Travel	5,785	0	5,785
Other operating - administrative	9,109	0	9,109
Total Administrative Expense	104,757	0	104,757
Utilities			
Water	300	0	300
Electricity	1,178	0	1,178
Gas	457	0	457
Sewer	51	0	51
Total Utilities Expense	1,986	0	1,986
Ordinary Maintenance & Operation			
Ordinary maint. and oper. - materials & others	11,652	0	11,652
Contract costs - garbage removal	302	0	302
Contract costs - heating and cooling	1,270	0	1,270
Contract costs - snow removal	0	0	0
Contract costs - elevator maintenance	0	0	0
Contract costs - landscape and grounds	1,891	0	1,891
Contract costs - unit turnaround	7,987	0	7,987
Contract costs - electrical	0	0	0
Contract costs - plumbing	4,635	0	4,635
Contract costs - extermination	2,860	0	2,860
Contract costs - janitorial	0	0	0
Contract costs - routine maintenance	1,213	0	1,213
Contract costs - miscellaneous	56,644	0	56,644
Total Ordinary Maintenance & Operation	88,454	0	88,454
Insurance Premiums			
Property insurance	9,092	0	9,092
Liability insurance	2,700	0	2,700
Workmen's compensation	840	0	840
All other insurance	2,492	0	2,492
Total Insurance Premiums	15,124	0	15,124

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE**  
Farmerville, Louisiana

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Account Description</u>	Public and Indian Housing 14.850	Public Housing Capital Fund 14.872	TOTAL
General Expenses			
Other general expenses	0	0	0
Payments in lieu of taxes	8,768	0	8,768
Bad debt - tenant rents	2,906	0	2,906
Interest expense	0	0	0
Total General Expenses	<u>11,674</u>	<u>0</u>	<u>11,674</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>221,995</u>	<u>0</u>	<u>221,995</u>
<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSE</b>	<u>(43,459)</u>	<u>86,300</u>	<u>42,841</u>
Other Expenses			
Extraordinary maintenance	0	0	0
Casualty losses - non-capitalized	2,340	0	2,340
Depreciation expense	43,346	0	43,346
Total Other Expenses	<u>45,686</u>	<u>0</u>	<u>45,686</u>
<b>TOTAL EXPENSES</b>	<u>\$ 267,681</u>	<u>\$ 0</u>	<u>\$ 267,681</u>
Other Financing Sources/(Uses)			
Operating transfers in	9,800	0	9,800
Operating transfers out	0	(9,800)	(9,800)
Total Other Financing Sources/(Uses)	<u>9,800</u>	<u>(9,800)</u>	<u>0</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ (79,345)</u>	<u>\$ 76,500</u>	<u>\$ (2,845)</u>
Equity transfers	76,500	(76,500)	0
Prior period adjustments	0	0	0
<b>Beginning Net Position</b>	<u>413,967</u>	<u>0</u>	<u>413,967</u>
<b>Ending Net Position</b>	<u>\$ 411,122</u>	<u>\$ 0</u>	<u>\$ 411,122</u>
Units months available	462	0	462
Units months leased	455	0	455

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Agency Head Name: Woody Whittington, Administrator

Salary	\$	-
Benefits-Insurance		-
Benefits-Retirement		-
Car Allowance		-
Vehicle Provided by Government		-
Per Diem		-
Reimbursements		-
Travel		-
Total Amount	\$	<u>-</u>

There is no employee compensation for the Housing Authority of the Town of Farmerville. There is a management fee and costs charges to the Housing Authority of the Town of Farmerville for which the Housing Authority of Ruston recognizes as revenue. There are no employees with Farmerville.

**HOUSING AUTHORITY OF THE  
TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**SUPPLEMENTAL INFORMATION  
SPECIAL REPORTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

**HOUSING AUTHORITY OF THE TOWN OF FARMERVILLE  
Farmerville, Louisiana**

**STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**Annual Contributions Contract FW-1218**

**PHASE LA48P052501-12**

- 1 The Actual Modernization Costs of Phase 501-12 were:

Funds Approved	\$ 50,043
Funds Expended	<u>50,043</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 50,043
Funds Expended	<u>50,043</u>
Excess of Funds Advanced	<u>\$ -</u>

- 2 Audit period additions totaled \$10,290.34 and accordingly were audited by Rector, Reeder & Lofton, P.C.
- 3 The distribution of costs by major cost accounts as shown on the Final Statement of Modernization Cost dated January 11, 2016, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
- 4 All modernization costs have been paid and all related liabilities have been discharged through payment.