

**Housing Authority of the
CITY OF GRAMBLING**
Grambling, Louisiana

**Annual Financial Report
As of and for the Year Ended September 30, 2016**

HOUSING AUTHORITY OF THE CITY OF GRAMBLING
 Grambling, Louisiana
 Basic Financial Statements
 As of and for the Year Ended September 30, 2016
 With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
Independent Auditor’s Report		3
Required Supplementary Information		
Management’s Discussion and Analysis		6
Basic Financial Statements:		
Statement of Net Position	A	14
Statement of Revenues, Expenses and Changes in Net Position	B	16
Statement of Cash Flows	C	17
Notes to the Financial Statements		18
Supplemental Information		
Financial Data Schedule		27
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer		32
Schedule of Compensation Paid Board Members		33
Other Reports		
Independent Auditor’s Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>		34
Schedule of Audit Findings		36
Schedule of Prior Audit Findings		37
Management Letter		38

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Grambling
Grambling, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the Housing Authority of the City of Grambling (the authority) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Independent Auditor's Report, 2016

Page Two

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

Opinions

In my opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the Housing Authority of the City of Grambling as of September 30, 2016, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana
Independent Auditor's Report, 2016
Page Three

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 February 8, 2017 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the authority's internal control over financial reporting and compliance.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 8, 2017

HOUSING AUTHORITY OF GRAMBLING, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

September 30, 2016

The management of Public Housing Authority of Grambling, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2016. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.

- The Housing Authority's assets exceeded its liabilities by \$1,998,428 at the close of the fiscal year ended 2016.
 - ✓ Of this amount \$1,585,945 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 \$412,483 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 64% of the total operating expenses of \$641,254 for the fiscal year 2016, which means the Authority might be able to operate about 8 months using the unrestricted assets alone, compared to 5 months in the prior fiscal year.

- The Housing Authority's total net position decreased by \$179,846, an 8% decrease from the prior fiscal year. This decrease is primarily attributable depreciation of fixed assets.

- The decrease in net position of these funds was accompanied by a decrease in unrestricted cash by \$51,920 from fiscal year 2015, primarily due to spending \$29,007 more for operations than Federal funds received for operations and spending \$34,342 more for capital assets than Federal capital grants received.

- The Authority spent \$103,800 on capital asset additions during the current fiscal year.

- These changes led to a decrease in total assets by \$168,033 and an increase in total liabilities by \$11,813. As related measure of financial health, there are still over \$7 of current assets covering each dollar of total current liabilities, which compares to \$8 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-

Housing Authority of Grambling, LA
Management's Discussion and Analysis (MD&A)
September 30, 2016

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 2016?" 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 Housing 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:

Low Rent Public Housing	\$ 244,357
Public Housing Capital Fund Program	87,200
Housing Choice Vouchers	<u>382,380</u>
Total funding received this current fiscal year	<u>\$ 713,937</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 Grambling, LA
 Management's Discussion and Analysis (MD&A)
 September 30, 2016

FINANCIAL ANALYSIS

The Housing Authority's net position was \$1,998,428 as of September 30, 2016. Of this amount, \$1,585,945 was invested in capital assets, and the remaining \$412,483 was unrestricted. There are no other restrictions on general net position.

CONDENSED FINANCIAL STATEMENTS

Condensed Statement of Net Position

As of September 30, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets	\$ 531,412	\$ 550,473
Assets restricted for Housing Choice Voucher (HCV) program	-	13,110
Capital assets, net of depreciation	1,585,945	1,721,808
Total assets	2,117,357	2,285,391
DEFERRED OUTFLOWS OF RESOURCES		
Deferred payments to government assistance programs	-	-
LIABILITIES		
Current liabilities	78,382	69,269
Non-current liabilities	40,547	37,847
Total liabilities	118,929	107,116
DEFERRED INFLOWS OF RESOURCES		
Deferred revenues from government assistance programs	-	-
NET POSITION		
Invested in capital assets, net of depreciation	1,585,945	1,721,808
Net position restricted for the Housing Choice Voucher program	-	13,110
Unrestricted net position	412,483	443,357
Total net position	\$ 1,998,428	\$ 2,178,275

Housing Authority of Grambling, LA
 Management's Discussion and Analysis (MD&A)
 September 30, 2016

CONDENSED FINANCIAL STATEMENTS (Continued)

The net position of these funds decreased by \$179,847, or by 8%, from those of fiscal year 2015, 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 September 30, 2016

	<u>2016</u>	<u>2015</u>	<u>Total Changes</u>
OPERATING REVENUES			
Tenant rental revenue	\$ 138,636	\$ 125,579	\$ 13,057
Government grants for operations	626,737	507,472	119,265
Other revenue	13,751	33,863	(20,112)
Total operating revenues	<u>779,123</u>	<u>666,914</u>	<u>112,209</u>
OPERATING EXPENSES			
General	65,020	61,224	3,796
Maintenance and repairs	117,272	150,963	(33,691)
Administrative expenses and management fees	268,379	210,615	57,764
Utilities	11,939	14,611	(2,673)
Federal Housing Assistance Payments (HAP) to landlords	371,487	309,494	61,993
Depreciation	239,662	228,102	11,560
Tenant services	1,068	1,440	(372)
Total operating expenses	<u>1,074,828</u>	<u>976,448</u>	<u>98,379</u>
Income (losses) from operations	<u>(295,705)</u>	<u>(309,535)</u>	<u>9,961</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	207	237	(30)
Other non-tenant revenue	28,450	32,290	(27,255)
Total non-operating revenues (expenses)	<u>28,658</u>	<u>32,527</u>	<u>952</u>
Income (losses) before capital contributions	<u>(267,047)</u>	<u>(277,007)</u>	<u>9,962</u>
CAPITAL CONTRIBUTIONS	<u>87,200</u>	<u>67,250</u>	<u>19,950</u>
CHANGES IN NET POSITION	<u>(179,847)</u>	<u>(209,758)</u>	<u>29,912</u>
NET POSITION, BEGINNING OF FISCAL YEAR	<u>2,178,275</u>	<u>2,388,033</u>	<u>(209,759)</u>
NET POSITION, END OF FISCAL YEAR	<u>\$ 1,998,428</u>	<u>\$ 2,178,275</u>	<u>\$ (179,847)</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues increased \$128,291, or by 17%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Total tenant revenue increased by \$15,112, or by 11% from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total. Finally, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) increased by \$2,056, or by 20%.
- Federal revenues from HUD for operations increased by \$119,265, or by 24% from that of the prior fiscal year. Primarily due to an increase in the number of tenants housed.
- Federal Capital Funds from HUD increased by \$19,950, or by 30% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2013 through 2015, and submitted a new grant during fiscal year 2016.
- Total other non-operating revenue decreased by \$26,007, or by 47% from that of the prior fiscal year because the housing authority received insurance proceeds in 2015 which were not a recurring source of revenue.
- Interest income totaling \$207, did not change significantly from the prior to the current year.

Compared with the prior fiscal year, total operating and non-operating expenses increased \$98,379, or by 10%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Depreciation expense increased by \$11,560, or by 5% from that of the prior fiscal year because there was an increase in capital assets by \$103,800.
- Maintenance and repairs decreased by \$6,702, or by 5% from that of the prior fiscal year, due to several major factors: Repair staff wages increased by \$13,072, and related employee benefit contributions increased by \$794. Also, materials used increased by \$3,312, or by 15%, and contract labor costs decreased by \$23,880, or by 26%.
- General Expenses increased by \$3,796, or by 6% from that of the prior fiscal year, and payments in lieu of taxes (PILOT) increased by \$1,618, or by 15%. 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 \$4,944, or by 14%, but other general expenses decreased by \$2,946, or by 49%. Bad debts increased by \$227 because these changed roughly proportional to rent, which increased by 10%. Lastly, compensated absences decreased by \$47.
- Administrative Expenses increased by \$57,764, or by 27% from that of the prior fiscal year, due to a combination of

Housing Authority of Grambling, LA
 Management's Discussion and Analysis (MD&A)
 September 30, 2016

offsetting factors: Administrative staff salaries increased by \$21,718, or by 20%, and related employee benefit contributions increased by \$3,285, or by 11% therefore, total staff salaries and benefit costs increased by 18%. In addition, audit fees decreased by \$1,016 and legal fees increased by \$420. Finally, staffs travel reimbursements increased by \$5,669, office expenses increased by \$12,967 and sundry expenses increased by \$14,721; therefore, other staff administrative expense increased by 56%.

- Housing Assistance Payments to landlords increased by \$61,993, or by 20% from that of the prior fiscal year because there was an increase in the number of tenants housed during the year.
- Utilities Expense decreased by \$2,673, or by 18% from that of the prior fiscal year because water cost increased by \$118 due to an increase in rate by 48%, electricity cost decreased by \$1,476 due to a decrease in rate by 12%, gas cost decreased by \$566 due to a decrease in rate by 41%, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) decreased by \$1,315.
- Casualty losses decreased by \$26,989 from that of the prior fiscal year.
- Tenant services, totaling \$1,068, did not change significantly from the prior to the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2016, the Housing Authority had a total cost of \$6,549,422 invested in a broad range of assets and construction in progress from projects funded in 2013 through 2015, listed below. This amount, not including depreciation, represents increases of \$103,800 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

Capital Assets, Net of Accumulated Depreciation

As of September 30, 2016

	<u>2016</u>	<u>2015</u>
Land	\$ 120,589	\$ 120,589
Construction in progress	-	89,139
Buildings	1,416,336	1,381,550
Leasehold improvements	41,475	44,082
Furniture and equipment	7,546	86,448
	\$ 1,585,946	\$ 1,721,808
Total	\$ 1,585,946	\$ 1,721,808

As of the end of the 2016 fiscal year, the Authority is still in the process of completing HUD grants of \$317,833 obtained during 2013 through 2015 fiscal years.

Debt

Non-current liabilities also include accrued annual vacation 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 2017 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 Bridgett T. Tanner, at Public Housing Authority of Grambling, Louisiana; PO Box 626; Grambling, LA 71245.

Housing Authority of the City of Grambling
Grambling, Louisiana
Statement of Net Position
As of September 30, 2016

ASSETS

Current assets

Cash and cash equivalents	406,750
Receivables:	
HUD	77,658
Tenant rents, net of allowance	2,534
Fraud recovery, net of allowance	150
Miscellaneous, net of allowance	411
Prepaid expenses	19,221
Inventory, net of allowance	314
Restricted assets - cash and cash equivalents	<u>24,375</u>

Total current assets 531,413

Noncurrent assets

Capital assets:	
Nondepreciable capital assets:	
Land	<u>120,589</u>
Total nondepreciable capital assets	<u>120,589</u>
Depreciable capital assets:	
Buildings and improvements	6,168,433
Furniture and equipment	260,400
Less accumulated depreciation	<u>(4,963,477)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>1,465,356</u>

Total capital assets, net of accumulated depreciation 1,585,945

Total assets 2,117,358

TOTAL ASSETS 2,117,358

(continued)

Housing Authority of the City of Grambling
Grambling, Louisiana
Statement of Net Position
As of September 30, 2016

LIABILITIES AND NET POSITION**Current Liabilities**

Accounts payable	7,869
Payable to other governments	12,730
Accrued wages payable	2,479
Accrued compensated absences	4,003
Unearned revenue	26,900
Other liability	27
Security deposit liability	24,375

Total current liabilities

 78,383
Noncurrent liabilities

Accrued compensated absences	40,547
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Total noncurrent liabilities

 40,547
TOTAL LIABILITIES

 118,930
NET POSITION

Net Investments in Capital Assets	1,585,945
Restricted	-
Unrestricted	412,483

TOTAL NET POSITION

 \$ 1,998,428

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

Housing Authority of the City of Grambling
 Grambling, Louisiana
 Statement of Revenues, Expenses, and Changes In Net Position
 For the Year ended September 30, 2016

Operating Revenues	
HUD Operating Grants	\$ 626,737
Dwelling Rental	138,635
Other Operating	<u>13,751</u>
Total operating revenues	<u>779,123</u>
Operating Expenses	
Housing Assistance Payments	371,487
General and administrative	333,400
Repairs and maintenance	117,272
Utilities	11,938
Tenant services	1,068
Depreciation and amortization	<u>239,663</u>
Total operating expenses	<u>1,074,828</u>
Operating income (loss)	(295,705)
Nonoperating Revenues (Expenses):	
Interest revenue	207
Miscellaneous revenues	<u>28,451</u>
Total nonoperating revenues (expenses)	<u>28,658</u>
Income (loss) before other revenues, expenses, gains, losses and transfers	(267,047)
Capital contributions (grants)	87,200
Increase (decrease) in net position	(179,847)
Net position, beginning of year	<u>2,178,275</u>
Net position, end of year	<u><u>\$ 1,998,428</u></u>

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

Housing Authority of the City of Grambling
Statement of Cash Flows
For the Year ended September 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from federal subsidies	\$ 593,603
Receipts from tenants	152,431
Payments to landlords	(371,487)
Payments to suppliers	(296,682)
Payments to employees	<u>(153,273)</u>
Net cash provided by operating activities	<u>(75,408)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous revenues	<u>28,451</u>
Net cash provided by noncapital financing activities	<u>28,451</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital grants	87,200
Purchase and construction of capital assets	<u>(103,800)</u>
Net cash (used in) capital and related financing activities	<u>(16,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>207</u>
Net cash provided by investing activities	<u>207</u>
Net increase (decrease) in cash and cash equivalents	<u>(63,350)</u>
Cash and cash equivalents - beginning of year	<u>494,475</u>
Cash and Cash equivalents - unrestricted	406,750
Cash and Cash equivalents - restricted	24,375
Total Cash and Cash Equivalents - end of year	<u>\$ 431,125</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating (loss)	\$ (295,705)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	239,663
Changes in assets and liabilities:	
HUD receivable	(33,134)
Tenant rents, net of allowance	(444)
Miscellaneous receivables	(561)
Prepaid insurance	2,044
Inventories	915
Accounts payable	(6,226)
Accrued wages payable	(1,140)
PILOT Payable	1,290
Accrued compensated absences	2,698
Unearned revenue	15,391
Other liability	(1,249)
Security deposit liability	<u>1,050</u>
Net cash provided by operating activities	<u>\$ (75,408)</u>

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF THE CITY OF GRAMBLING
Grambling, Louisiana
Notes to the Basic Financial Statements
September 30, 2016

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 Grambling (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 Grambling, 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 GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2016 – Continued

The authority is a related organization of the City of Grambling, 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, Section 8 Housing Assistance Subsidies, Section 8 Management Fees and tenant dwelling rents. Operating expenses include Section 8 Housing Assistance Payments, 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 GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2016 – Continued

(3) Measurement focus and basis of accounting

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

(4) Assets, liabilities, and net position

(a) Deposits

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

(b) Inventory and prepaid items

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

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

(c) Restricted Assets

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

(d) Capital assets

Capital assets of the authority are included in the statement of net position and are recorded at actual cost. The capitalization threshold is \$1,000. 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 GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2016 – 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 September 30, 2016, the management of the authority established an allowance for doubtful accounts of approximately \$23,749.

(g) Compensated absences

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

Employees earn from 98 to 192 annual leave hours per year and may accumulate an unlimited number of annual leave hours. Employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. However, one employee, per written contract, shall be paid for all accumulated annual leave upon separation from employment with the authority. The cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as a current year expense when leave is earned.

(h) Restricted net position

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

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2016 – Continued

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.

(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 September 30, 2016, the authority's carrying amount of deposits was \$431,125, which includes the following:

Cash and cash equivalents-unrestricted	\$406,750
Cash and cash equivalents- restricted	24,375
Total	\$431,125

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. \$252,689 of the authority's total deposits were

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2016 – Continued

covered by federal depository insurance, and do not have custodial credit risk. The remaining \$190,121 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 September 30, 2016 totaled \$442,810.

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2016 was as follows:

	<u>9 30 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>9 30 2016</u>
Nondepreciable Assets:				
Land	\$ 120,589			\$ 120,589
Construction in Progress	89,139	-	89,139	
Depreciable Assets:				
Building and improvements	5,975,494	192,939	-	6,168,433
Furniture and equipment	<u>260,400</u>	<u>-</u>	<u>-</u>	<u>260,400</u>
Total	<u>6,445,622</u>	<u>192,939</u>	<u>89,139</u>	<u>6,549,422</u>
Less accumulated depreciation				
Building and improvements	4,533,715	234,671	-	4,768,386
Furniture and equipment	<u>190,099</u>	<u>4,992</u>	<u>-</u>	<u>195,091</u>
Total accumulated depreciation	<u>4,723,814</u>	<u>239,663</u>	<u>-</u>	<u>4,963,477</u>
Net Capital Assets	<u>\$ 1,721,808</u>	<u>\$ (46,724)</u>	<u>\$ 89,139</u>	<u>\$ 1,585,945</u>

NOTE D – COMPENSATED ABSENCES

At September 30, 2016, employees of the authority have accumulated and vested \$44,550 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$40,547 is reported in long-term debt.

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2016 – Continued

NOTE E – LONG TERM OBLIGATIONS

As of September 30, 2016, long term obligations consisted of compensated absences in the amount of \$40,547. The following is a summary of the changes in the long term obligations for the year ended September 30, 2016.

	Compensated Absences
Balance as of October 1, 2015	\$41,852
Additions	9,460
Deductions	(6,762)
Balance as of September 30, 2016	<u>44,550</u>
Long Term Portion	<u>40,547</u>
Amount due in one year (Short term)	<u>\$4,003</u>

NOTE F – POST EMPLOYMENT RETIREMENT BENEFITS

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

NOTE G - RETIREMENT PLAN

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

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 7.5 percent of each participant's basic (excludes overtime)

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2016 – Continued

compensation. Employees are required to contribute 5.5 percent of their annual covered salary.

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

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 September 30, 2016, was \$153,273. The authority's contributions were calculated using the base salary amount of \$113,908. The authority made the required contributions of \$8,543 for the year ended September 30, 2016.

NOTE H – RISK MANAGEMENT

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

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

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

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

NOTE I – FEDERAL COMPLIANCE CONTINGENCIES

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2016 – Continued

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 J – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through February 8, 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.

NOTE K – ECONOMIC DEPENDENCE

Financial Accounting Standards Boards Accounting Standards Codification 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$713,937 to the authority, which represents approximately 80% of the authority's total revenue for the year.

Financial Data Schedule

Housing Authority of the Town of Grambling (LA097) Grambling, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$394,920	\$11,830	\$406,750		\$406,750
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$0	\$0		\$0
114 Cash - Tenant Security Deposits	\$24,375	\$0	\$24,375		\$24,375
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0		\$0
100 Total Cash	\$419,295	\$11,830	\$431,125	\$0	\$431,125
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$73,264	\$4,394	\$77,658		\$77,658
124 Accounts Receivable - Other Government	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$0	\$411	\$411		\$411
126 Accounts Receivable - Tenants	\$15,255	\$0	\$15,255		\$15,255
126.1 Allowance for Doubtful Accounts - Tenants	-\$12,721	\$0	-\$12,721		-\$12,721
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0		\$0
128 Fraud Recovery	\$0	\$11,178	\$11,178		\$11,178
128.1 Allowance for Doubtful Accounts - Fraud	\$0	-\$11,028	-\$11,028		-\$11,028
129 Accrued Interest Receivable	\$0	\$0	\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$75,798	\$4,955	\$80,753	\$0	\$80,753
131 Investments - Unrestricted	\$0	\$0	\$0		\$0
132 Investments - Restricted	\$0	\$0	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0		\$0
142 Prepaid Expenses and Other Assets	\$18,139	\$1,082	\$19,221		\$19,221
143 Inventories	\$330	\$0	\$330		\$330
143.1 Allowance for Obsolete Inventories	-\$16	\$0	-\$16		-\$16
144 Inter Program Due From	\$13,260	\$0	\$13,260	-\$13,260	\$0
145 Assets Held for Sale	\$0	\$0	\$0		\$0
150 Total Current Assets	\$526,806	\$17,867	\$544,673	-\$13,260	\$531,413
161 Land	\$120,589	\$0	\$120,589		\$120,589
162 Buildings	\$5,439,129	\$0	\$5,439,129		\$5,439,129
163 Furniture, Equipment & Machinery - Dwellings	\$52,573	\$0	\$52,573		\$52,573
164 Furniture, Equipment & Machinery - Administration	\$205,051	\$2,776	\$207,827		\$207,827
165 Leasehold Improvements	\$729,304	\$0	\$729,304		\$729,304
166 Accumulated Depreciation	-\$4,960,701	-\$2,776	-\$4,963,477		-\$4,963,477
167 Construction in Progress	\$0	\$0	\$0		\$0
168 Infrastructure	\$0	\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,585,945	\$0	\$1,585,945	\$0	\$1,585,945
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0		\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0		\$0
174 Other Assets	\$0	\$0	\$0		\$0
176 Investments in Joint Ventures	\$0	\$0	\$0		\$0
180 Total Non-Current Assets	\$1,585,945	\$0	\$1,585,945	\$0	\$1,585,945
200 Deferred Outflow of Resources	\$0	\$0	\$0		\$0
290 Total Assets and Deferred Outflow of Resources	\$2,112,751	\$17,867	\$2,130,618	-\$13,260	\$2,117,358

Financial Data Schedule

Housing Authority of the Town of Grambling (LA097)
Grambling, LA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
311 Bank Overdraft	\$0	\$0	\$0		\$0
312 Accounts Payable <= 90 Days	\$7,869	\$0	\$7,869		\$7,869
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$2,479	\$0	\$2,479		\$2,479
322 Accrued Compensated Absences - Current Portion	\$3,367	\$636	\$4,003		\$4,003
324 Accrued Contingency Liability	\$0	\$0	\$0		\$0
325 Accrued Interest Payable	\$0	\$0	\$0		\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0		\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0		\$0
333 Accounts Payable - Other Government	\$12,730	\$0	\$12,730		\$12,730
341 Tenant Security Deposits	\$24,375	\$0	\$24,375		\$24,375
342 Unearned Revenue	\$26,900	\$0	\$26,900		\$26,900
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0		\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0		\$0
345 Other Current Liabilities	\$0	\$0	\$0		\$0
346 Accrued Liabilities - Other	\$27	\$0	\$27		\$27
347 Inter Program - Due To	\$0	\$13,260	\$13,260	-\$13,260	\$0
348 Loan Liability - Current	\$0	\$0	\$0		\$0
310 Total Current Liabilities	\$77,747	\$13,896	\$91,643	-\$13,260	\$78,383
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0		\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0		\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0		\$0
354 Accrued Compensated Absences - Non Current	\$35,817	\$4,730	\$40,547		\$40,547
355 Loan Liability - Non Current	\$0	\$0	\$0		\$0
356 FASB 5 Liabilities	\$0	\$0	\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0		\$0
350 Total Non-Current Liabilities	\$35,817	\$4,730	\$40,547	\$0	\$40,547
300 Total Liabilities	\$113,564	\$18,626	\$132,190	-\$13,260	\$118,930
400 Deferred Inflow of Resources	\$0	\$0	\$0		\$0
508.4 Net Investment in Capital Assets	\$1,585,945	\$0	\$1,585,945		\$1,585,945
511.4 Restricted Net Position	\$0	\$0	\$0		\$0
512.4 Unrestricted Net Position	\$413,242	-\$759	\$412,483		\$412,483
513 Total Equity - Net Assets / Position	\$1,999,187	-\$759	\$1,998,428	\$0	\$1,998,428
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,112,751	\$17,867	\$2,130,618	-\$13,260	\$2,117,358

Financial Data Schedule

Housing Authority of the Town of Grambling (LA097) Grambling, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$138,635	\$0	\$138,635		\$138,635
70400 Tenant Revenue - Other	\$12,503	\$0	\$12,503		\$12,503
70500 Total Tenant Revenue	\$151,138	\$0	\$151,138		\$151,138
70600 HUD PHA Operating Grants	\$244,357	\$382,380	\$626,737		\$626,737
70610 Capital Grants	\$87,200	\$0	\$87,200		\$87,200
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		\$0
71100 Investment Income - Unrestricted	\$180	\$27	\$207		\$207
71200 Mortgage Interest Income	\$0	\$0	\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0		\$0
71400 Fraud Recovery	\$0	\$1,248	\$1,248		\$1,248
71500 Other Revenue	\$3,146	\$25,305	\$28,451		\$28,451
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0		\$0
72000 Investment Income - Restricted	\$0	\$0	\$0		\$0
70000 Total Revenue	\$486,021	\$408,960	\$894,981		\$894,981
91100 Administrative Salaries	\$99,395	\$31,368	\$130,763		\$130,763
91200 Auditing Fees	\$5,700	\$5,700	\$11,400		\$11,400
91300 Management Fee	\$0	\$0	\$0		\$0
91310 Book-keeping Fee	\$0	\$0	\$0		\$0
91400 Advertising and Marketing	\$216	\$0	\$216		\$216
91500 Employee Benefit contributions - Administrative	\$20,536	\$6,241	\$32,777		\$32,777
91600 Office Expenses	\$36,223	\$10,465	\$46,688		\$46,688
91700 Legal Expense	\$315	\$105	\$420		\$420
91800 Travel	\$10,425	\$1,846	\$12,271		\$12,271
91810 Allocated Overhead	\$0	\$0	\$0		\$0
91900 Other	\$32,806	\$1,038	\$33,844		\$33,844
91000 Total Operating - Administrative	\$211,616	\$56,763	\$268,379		\$268,379
92000 Asset Management Fee	\$0	\$0	\$0		\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0		\$0
92200 Relocation Costs	\$281	\$0	\$281		\$281
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0		\$0
92400 Tenant Services - Other	\$787	\$0	\$787		\$787
92500 Total Tenant Services	\$1,068	\$0	\$1,068		\$1,068

Financial Data Schedule

Housing Authority of the Town of Grambling (LA097) Grambling, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
93100 Water	\$363	\$0	\$363		\$363
93200 Electricity	\$10,381	\$0	\$10,381		\$10,381
93300 Gas	\$799	\$0	\$799		\$799
93400 Fuel	\$0	\$0	\$0		\$0
93500 Labor	\$0	\$0	\$0		\$0
93600 Sewer	\$395	\$0	\$395		\$395
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0		\$0
93800 Other Utilities Expense	\$0	\$0	\$0		\$0
93000 Total Utilities	\$11,938	\$0	\$11,938		\$11,938
94100 Ordinary Maintenance and Operations - Labor	\$22,510	\$0	\$22,510		\$22,510
94200 Ordinary Maintenance and Operations - Materials and Other	\$24,983	\$0	\$24,983		\$24,983
94300 Ordinary Maintenance and Operations Contracts	\$67,920	\$0	\$67,920		\$67,920
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,859	\$0	\$1,859		\$1,859
94000 Total Maintenance	\$117,272	\$0	\$117,272		\$117,272
95100 Protective Services - Labor	\$0	\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0		\$0
95300 Protective Services - Other	\$0	\$0	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0		\$0
96110 Property Insurance	\$20,650	\$0	\$20,650		\$20,650
96120 Liability Insurance	\$8,617	\$0	\$8,617		\$8,617
96130 Workmen's Compensation	\$2,883	\$676	\$3,559		\$3,559
96140 All Other Insurance	\$5,733	\$971	\$6,704		\$6,704
96100 Total insurance Premiums	\$37,883	\$1,647	\$39,530		\$39,530
96200 Other General Expenses	\$0	\$3,027	\$3,027		\$3,027
96210 Compensated Absences	\$8,812	\$650	\$9,462		\$9,462
96300 Payments in Lieu of Taxes	\$12,775	\$0	\$12,775		\$12,775
96400 Bad debt - Tenant Rents	\$227	\$0	\$227		\$227
96500 Bad debt - Mortgages	\$0	\$0	\$0		\$0
96600 Bad debt - Other	\$0	\$0	\$0		\$0
96800 Severance Expense	\$0	\$0	\$0		\$0
96000 Total Other General Expenses	\$21,814	\$3,677	\$25,491		\$25,491
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0		\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0		\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0		\$0
96900 Total Operating Expenses	\$401,581	\$62,087	\$463,678		\$463,678
97000 Excess of Operating Revenue over Operating Expenses	\$84,430	\$346,873	\$431,303		\$431,303

Financial Data Schedule

Housing Authority of the Town of Grambling (LA097) Grambling, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$0	\$0	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0		\$0
97300 Housing Assistance Payments	\$0	\$350,101	\$350,101		\$350,101
97350 HAP Portability-In	\$0	\$21,386	\$21,386		\$21,386
97400 Depreciation Expense	\$239,663	\$0	\$239,663		\$239,663
97500 Fraud Losses	\$0	\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0	\$0	\$0		\$0
90000 Total Expenses	\$641,254	\$433,574	\$1,074,828		\$1,074,828
10010 Operating Transfer In	\$0	\$0	\$0		\$0
10020 Operating transfer Out	\$0	\$0	\$0		\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0	\$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		\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$155,233	-\$24,614	-\$179,847		-\$179,847
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$2,154,420	\$23,855	\$2,178,275		\$2,178,275
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$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		-\$759	-\$759		-\$759
11180 Housing Assistance Payments Equity		\$0	\$0		\$0
11190 Unit Months Available	1098	925	2023		2023
11210 Number of Unit Months Leased	1054	925	1979		1979
11270 Excess Cash	\$397,141		\$397,141		\$397,141
11610 Land Purchases	\$0		\$0		\$0
11620 Building Purchases	\$87,200		\$87,200		\$87,200
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 Grambling

Schedule of Compensation, Benefits and Other Payments to Agency Head

or Chief Executive Officer

For the Year Ended September 30, 2016

Bridgett Tanner, Executive Director

Purpose	Amount
Salary	\$70,000
Benefits-insurance	7,120
Benefits-retirement	5,250
Travel	2,589

HOUSING AUTHORITY OF THE CITY OF GRAMBLING
Grambling, Louisiana

Schedule of Compensation Paid to Board Members
Fiscal Year Ended September 30, 2016

Board members serve without compensation

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

Board of Commissioners
Housing Authority of the City of Grambling
Grambling, 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 Grambling, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the authority's basic financial statements, and have issued my report thereon dated February 8, 2017.

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 GRAMBLING

Grambling, Louisiana

Report on Internal Control... *Government*

Auditing Standards, 2016

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*.

I noted a certain matter that I reported to management of the authority in a separate letter dated February 8, 2017

Purpose of this Report

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

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 8, 2017

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Schedule of Findings
Fiscal Year Ended September 30, 2016

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____yes X no

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

None

HOUSING AUTHORITY OF THE CITY OF GRAMBLING
Grambling, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended September 30, 2016

There were no findings in the prior audit.

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Management Letter

Board of Commissioners
Housing Authority of the City of Grambling
Grambling, Louisiana

In planning and performing my audit of the financial statements of the Housing Authority of the City of Grambling for the year ended September 30, 2016, I considered the Authority's internal control to plan my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control.

However, during my audit, I noted a certain matter involving internal control that is presented for your consideration. This letter does not affect my report dated February 8, 2017, on the financial statements of the authority. Management's response has also been included.

MANAGEMENT LETTER COMMENTS

ML COMMENT 2016-1

As of September 30, 2016, the Housing Choice Voucher Program (HCV) owed the Low Rent Program \$13,260. The amount of unrestricted net position recorded by the HCV program as of September 30, 2016 was \$(759). Therefore, the HCV program does not have sufficient resources to fully pay off the amount due to the Low Rent Program.

PHA RESPONSE:

Corrective Action Plan

Person Responsible – Ms. Bridget Tanner, Executive Director

Corrective Action Planned – We will make every effort to ensure that the HCV program is able to satisfy this interprogram balance.

My audit procedures are designed primarily to enable me to form opinions on the financial statements of the authority, as of and for the year ending September 30, 2016, which collectively comprise the authority's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and user of the Board, management, federal awarding agencies, and pass-thru entities and is not intended to be and should not be used by anyone other than these specified users. Although the intended use of these reports may be limited, under LRS 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA, APAC
A Professional Accounting Corporation

February 8, 2017