

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

**Annual Financial Report
As of and for the Year Ended September 30, 2014**

HOUSING AUTHORITY OF THE CITY OF GRAMBLING
Grambling, Louisiana
Basic Financial Statements
As of and for the Year Ended September 30, 2014
With Supplemental Information Schedules

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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, 2014, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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Grambling, Louisiana

Independent Auditor's Report, 2014

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

Opinions

In my opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the Housing Authority of the City of Grambling as of September 30, 2014, and the respective changes in net financial position and cash flows, thereof 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 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 us 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 Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Independent Auditor's Report, 2014

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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 March 10, 2015 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

March 10, 2015

HOUSING AUTHORITY OF GRAMBLING, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SEPTEMBER 30, 2014

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, 2014. 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 \$2,388,033 at the close of the fiscal year ended 2014.
 - ✓ Of this amount \$1,864,699 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ Also of this amount, \$69,195 of net position is restricted for the Housing Choice Voucher program
 - ✓ The remainder of \$454,139 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 75% of the total operating expenses of \$608,943 for the fiscal year 2014, which means the Authority might be able to operate about 9 months using the unrestricted assets alone, compared to 5 months in the prior fiscal year.
- The Housing Authority's total net position decreased by \$106,332, a 4% decrease from the prior fiscal year 2013. This decrease is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The decrease in net position of these funds was accompanied by an increase in unrestricted cash by \$19,076 from fiscal year 2013.
- The Authority spent \$3,990 on capital asset additions and \$67,010 on construction in progress during the current fiscal year.
- These changes led to a decrease in total assets by \$97,971 and a decrease in total liabilities by \$6,580. As related measure of financial health, there are still over \$9 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-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 2014?" 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	\$ 231,993
Public Housing Capital Fund Program	71,307
Housing Choice Vouchers	<u>421,027</u>
Total funding received this current fiscal year	<u><u>\$ 724,327</u></u>

Housing Authority of Grambling, Louisiana
 Management's Discussion and Analysis (MD&A)
 September 30, 2014

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.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$2,388,033 as of September 30, 2014. Of this amount, \$1,864,699 was invested in capital assets, and the remaining \$454,139 was unrestricted. There were \$69,195 in specific assets restricted for the Housing Choice Voucher (HCV) program.

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
 As of September 30, 2014**

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets	\$ 561,528	\$ 556,289
Assets restricted for Housing Choice Voucher (HCV) program,	69,195	22,344
Capital assets, net of depreciation	<u>1,864,699</u>	<u>2,014,760</u>
Total assets	<u>2,495,422</u>	<u>2,593,393</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred payments to government assistance programs	<u>-</u>	<u>-</u>
LIABILITIES		
Current liabilities	74,415	71,833
Non-current liabilities	<u>32,974</u>	<u>27,195</u>
Total liabilities	<u>107,389</u>	<u>99,028</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenues from government assistance programs	<u>-</u>	<u>-</u>
NET POSITION		
Invested in capital assets, net of depreciation	1,864,699	2,014,760
net position restricted for the Housing Choice Voucher program	69,195	22,344
Unrestricted net position	<u>454,139</u>	<u>457,261</u>
Total net position	<u>\$2,388,033</u>	<u>\$ 2,494,365</u>

Housing Authority of Grambling, Louisiana
 Management's Discussion and Analysis (MD&A)
 September 30, 2014

CONDENSED FINANCIAL STATEMENTS (Continued)

The net position of these funds decreased by \$91,389 106332, or by 4%, from those of fiscal year 2013, 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, 2014**

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Tenant rental revenue	\$ 124,878	\$ 114,593
Government grants for operations	657,317	639,291
Other tenant revenue	12,606	7,556
Total operating revenues	<u>794,801</u>	<u>761,440</u>
OPERATING EXPENSES		
General	73,403	75,750
Ordinary maintenance and repairs	156,157	119,568
Administrative expenses and management fees	194,766	200,826
Utilities	14,354	14,736
Federal Housing Assistance Payments (HAP) to landlords & Ports	338,425	442,900
Depreciation	221,061	215,928
Tenant services	3,983	1,396
Extraordinary maintenance and repairs	-	15,920
Total operating expenses	<u>1,002,148</u>	<u>1,087,024</u>
Income (losses) from operations	<u>(192,405)</u>	<u>(325,584)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	228	-
Fraud Recovery	-	16,845
Other non-tenant revenue	33,978	12,160
Casualty (losses)	(200)	-
Total non-operating revenues (expenses)	<u>34,005</u>	<u>29,005</u>
Income (losses) before capital contributions	(173,342)	(296,579)
CAPITAL CONTRIBUTIONS	<u>67,010</u>	<u>102,815</u>
CHANGES IN NET POSITION	<u>(106,332)</u>	<u>(193,764)</u>
NET POSITION, BEGINNING OF FISCAL YEAR	2,494,364	2,688,129
NET POSITION, END OF FISCAL YEAR	<u>\$2,388,033</u>	<u>\$2,494,365</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues increased \$17,699, or by 2%, from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$15,335, or by 13%, from that of the prior fiscal year, due to the amount of rent each tenant pays which 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. In addition, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) increased by \$5,050, or by 67%.
- Federal revenues from HUD for operations increased by \$32,968, or by 5%, from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant.
- Federal Capital Funds from HUD decreased by \$35,805, or by 35%, from that of the prior fiscal year. Though the Housing Authority submitted a new grand during this current fiscal year, they were still in the process of completing projects funded from grants by HUD for fiscal years 2011 through 2013.
- Total other non-operating revenue increased by \$4,973, or by 17%, from that of the prior fiscal year, because the Authority received proceeds from casualty insurance claims, which are recorded as other income by the Authority in the year received.
- Interest income totaling \$228, did not change significantly from the prior to the current year.

Compared with the prior fiscal year, total operating and non-operating expenses decreased \$84,676, or by 8%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$5,133, or by 2%, from that of the prior fiscal year, because there was an increase in capital assets by \$71,000.
- Maintenance and repairs increased by \$20,669, or by 15%, from that of the prior fiscal year, due to several factors: Repair staff wages increased by \$634, and related employee benefit contributions increased by \$1,917. In addition, materials used increased by \$1,176, or by 3%, and contract labor costs increased by \$32,862, or by 55%. However, extraordinary maintenance decreased by \$15,920 from that of the prior fiscal year.

Housing Authority of Grambling, Louisiana
 Management's Discussion and Analysis (MD&A)
 September 30, 2014

- General Expenses decreased by \$2,347, or by 3%, from that of the prior fiscal year, and payments in lieu of taxes (PILOT) increased by \$1,066, or by 11%. PILOT is calculated as a percentage of rent minus utilities which, therefore, changed proportionately to the changes in each of these. Insurance premiums decreased by \$2,393, or by 6%, since property and casualty insurance premiums decreased; whereas, other general expenses decreased by \$11,417, or by 78%. Lastly, bad debts decreased by \$8,125, or by 147%, and compensated absences increased by \$2,272, or by 29%, from that of the prior fiscal year.
- Administrative Expenses decreased by \$6,060, or by 3%, from that of the prior fiscal year, due to a combination of offsetting factors: Administrative staff salaries decreased by \$242, and related employee benefit contributions decreased by \$1,624; therefore, total staff salaries and benefit costs decreased by 1%. Finally, audit fees increased by \$1,036, or by 9%, staff training/travel reimbursements decreased by \$5,104, office expenses increased by \$951, and sundry expenses decreased by \$1,077; therefore, other staff administrative expense decreased by 6%.
- Housing Assistance Payments to landlords decreased by \$104,475, or by 24%, from that of the prior fiscal year, because there was a decrease in the number of tenants housed during the fiscal year.
- Utilities Expense decreased by \$382, or by 3%, from that of the prior fiscal year, due to numerous cumulative factors: Water cost decreased by \$129, due to a decrease in rate by 60%; electricity cost increased by \$1,109, due to an increase in consumption by 9%; gas cost decreased by \$507, due to a decrease in consumption by 39%; and finally, other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) decreased by \$1,362, or by 43%.
- Lastly, tenant services-other increased by \$2,587 from that of the prior fiscal year, and casualty losses increased by \$200 from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2014, the Housing Authority had a total cost of \$6,360,411 invested in a broad range of assets and construction in progress from projects funded in 2011 through 2013, listed below. This amount, not including depreciation, represents increases of \$71,000 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, 2014**

	<u>2014</u>	<u>2013</u>
Land	\$ 120,589	\$ 120,589
Construction in progress	109,560	141,780
Buildings	1,566,501	1,601,647
Leasehold improvements	50,775	57,469
Furniture and equipment	<u>17,274</u>	<u>93,275</u>
Total	<u>\$1,864,699</u>	<u>\$ 2,014,760</u>

As of the end of the 2014 fiscal year, the Authority is still in the process of completing HUD grants of \$216,176 obtained during 2011 through 2013 fiscal years. A total remainder of \$105,357 will be received and \$21,923 will be spent for completing these projects during fiscal year 2015.

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 2015 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 Tanner, at Public Housing Authority of Grambling, Louisiana; P.O. Box 626; Grambling, LA 71245.

Housing Authority of the City of Grambling
Grambling, Louisiana
Statement of Net Position
As of September 30, 2014

ASSETS

Current assets

Cash and cash equivalents	437,693
Receivables:	
HUD	83,468
Tenant rents, net of allowance	1,245
Prepaid expenses	15,643
Inventory, net of allowance	870
Restricted assets - cash and cash equivalents	<u>91,804</u>
 Total current assets	 <u>630,723</u>

Noncurrent assets

Capital assets:	
Nondepreciable capital assets:	
Land	120,589
Construction in progress	<u>109,560</u>
Total nondepreciable capital assets	<u>230,149</u>
 Depreciable capital assets:	
Buildings and improvements	5,869,862
Furniture and equipment	260,400
Less accumulated depreciation	<u>(4,495,712)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>1,634,550</u>
 Total capital assets, net of accumulated depreciation	 <u>1,864,699</u>
 Total assets	 <u>2,495,422</u>
 TOTAL ASSETS	 <u>2,495,422</u>

(continued)

Housing Authority of the City of Grambling
Grambling, Louisiana
Statement of Net Position
As of September 30, 2014

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	7,498
Payable to other governments	11,007
Accrued wages payable	3,398
Accrued compensated absences	4,345
HUD liability	14,976
Unearned revenue	9,141
Other liability	1,475
Security deposit liability	<u>22,575</u>

Total current liabilities	<u>74,415</u>
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Noncurrent liabilities

Accrued compensated absences	<u>32,974</u>
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Total noncurrent liabilities	<u>32,974</u>
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TOTAL LIABILITIES	<u><u>107,389</u></u>
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NET POSITION

Net Investments in Capital Assets	1,864,699
Restricted	69,195
Unrestricted	<u>454,139</u>

TOTAL NET POSITION	<u><u>\$ 2,388,033</u></u>
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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, 2014

Operating Revenues	
HUD Operating Grants	\$ 657,317
Dwelling Rental	124,878
Other Operating	<u>12,606</u>
Total operating revenues	<u>794,801</u>
Operating Expenses	
Housing Assistance Payments	338,425
General and administrative	268,169
Repairs and maintenance	156,357
Utilities	14,354
Tenant services	3,984
Depreciation and amortization	<u>221,060</u>
Total operating expenses	<u>1,002,349</u>
Operating income (loss)	(207,548)
Nonoperating Revenues (Expenses):	
Interest revenue	228
Miscellaneous revenues	<u>33,978</u>
Total nonoperating revenues (expenses)	<u>34,206</u>
Income (loss) before other revenues, expenses, gains, losses and transfers	(173,342)
Capital contributions (grants)	67,010
Increase (decrease) in net position	(106,332)
Net position, beginning of year	<u>2,494,365</u>
Net position, end of year	<u><u>\$ 2,388,033</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, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from federal subsidies	\$ 654,551
Receipts from tenants	137,791
Other receipts	22,788
Payments to landlords	(338,425)
Payments to suppliers	(318,523)
Payments to employees	<u>(122,555)</u>
Net cash provided by operating activities	<u>35,627</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous revenues	33,978
Net cash provided by noncapital financing activities	<u>33,978</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital grants	67,010
Purchase and construction of capital assets	<u>(71,000)</u>
Net cash (used in) capital and related financing activities	<u>(3,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>228</u>
Net cash provided by investing activities	<u>228</u>
Net increase (decrease) in cash and cash equivalents	<u>65,843</u>
Cash and cash equivalents - beginning of year	<u>463,654</u>
Cash and Cash equivalents - unrestricted	437,693
Cash and Cash equivalents - restricted	91,804
Total Cash and Cash Equivalents - end of year	<u>\$ 529,497</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating (loss)	\$ (207,548)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	221,060
Changes in assets and liabilities:	
HUD receivable	(2,766)
Tenant rents, net of allowance	316
Miscellaneous receivables	41
Prepaid insurance	4,751
Fraud Recovery	11,495
Inventories	(84)
Accounts payable	372
Accrued wages payable	(336)
PILOT Payable	1,066
Accrued compensated absences	6,147
Unearned revenue	(13,810)
HUD liability	14,908
Other liability	65
Security deposit liability	<u>(50)</u>
Net cash provided by operating activities	<u>\$ 35,627</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, 2014

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, 2014 - 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, 2014 - continued

(3) Measurement focus and basis of accounting

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

(4) Assets, liabilities, and net Position

(a) Deposits

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

(b) Inventory and prepaid items

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

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

(c) Restricted Assets

Cash equal to the amount of tenant security deposits, Housing Assistance Payment reserves and interest due HUD are reflected as restricted.

(d) Capital assets

Capital assets of the authority are included in the statement of net positions and are recorded at actual cost. The capitalization threshold is \$500. 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, 2014 - 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, 2014, the management of the authority established an allowance for doubtful accounts of approximately \$26,799.

(g) Compensated absences

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

Employees earn from 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

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

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

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

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

GRAMBLING, LOUISIANA

Notes to the Financial Statements, 2014 - continued

(i) Use of estimates

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

NOTE B – DEPOSITS

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

As of September 30, 2014, the authority's carrying amount of deposits was \$529,497, which includes the following:

Cash and cash equivalents-unrestricted	\$437,693
Cash and cash equivalents- restricted	91,804
Total	\$529,497

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. \$252,262 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$289,609 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, 2014 totaled \$541,871.

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

GRAMBLING, LOUISIANA

Notes to the Financial Statements, 2014 - continued

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2014 was as follows:

	<u>9 30 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>9 30 2014</u>
Nondepreciable Assets:				
Land	120,589			120,589
Construction in Progress	141,780	67,010	99,230	109,560
Depreciable Assets:				
Building and improvements	5,770,632	99,230	-	5,869,862
Furniture and equipment	<u>256,410</u>	<u>3,990</u>	<u>-</u>	<u>260,400</u>
Total	<u>6,289,411</u>	<u>170,230</u>	<u>99,230</u>	<u>6,360,411</u>
Less accumulated depreciation				
Building and improvements	4,096,717	214,978	-	4,311,695
Furniture and equipment	<u>177,935</u>	<u>6,082</u>	<u>-</u>	<u>184,017</u>
Total accumulated depreciation	<u>4,274,652</u>	<u>221,060</u>	<u>-</u>	<u>4,495,712</u>
Net Capital Assets	<u>2,014,759</u>	<u>(50,830)</u>	<u>99,230</u>	<u>1,864,699</u>

NOTE D – CONSTRUCTION COMMITMENTS

The authority is engaged in a modernization program and has entered into construction type contracts with approximately \$105,000 remaining until completion.

NOTE E – COMPENSATED ABSENCES

At September 30, 2014, employees of the authority have accumulated and vested \$37,319 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$32,974 is reported in long-term debt.

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

GRAMBLING, LOUISIANA

Notes to the Financial Statements, 2014 - continued

NOTE F – LONG TERM OBLIGATIONS

As of September 30, 2014, long term obligations consisted of compensated absences in the amount of \$32,974. The following is a summary of the changes in the long term obligations for the year ended September 30, 2014.

	Compensated Absences
Balance as of October 1, 2013	\$31,172
Additions	9,432
Deductions	(3,285)
Balance as of September 30, 2014	<u>37,319</u>
Long term portion	<u>32,974</u>
Amount due in one year (Short term)	<u>\$4,345</u>

NOTE G – POST EMPLOYMENT RETIREMENT BENEFITS

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

NOTE H - RETIREMENT PLAN

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

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 7.5 percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute 5.5 percent of their annual covered salary.

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

GRAMBLING, LOUISIANA

Notes to the Financial Statements, 2014 - continued

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority.

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, 2014, was \$122,555. The authority's contributions were calculated using the base salary amount of \$98,317. The authority made the required contributions of \$7,374 for the year ended September 30, 2014.

NOTE I – RISK MANAGEMENT

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

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

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

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

NOTE J – FEDERAL COMPLIANCE CONTINGENCIES

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

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

GRAMBLING, LOUISIANA

Notes to the Financial Statements, 2014 - continued

NOTE K – 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 March 10, 2015 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 L – ECONOMIC DEPENDENCE

Statement of Financial Accounting Standard (SFAS) No. 14 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 \$724,327 to the authority, which represents approximately 81% 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/A-133

Fiscal Year End: 09/30/2014

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$407,471	\$30,222	\$437,693		\$437,693
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$69,195	\$69,195		\$69,195
114 Cash - Tenant Security Deposits	\$22,575	\$0	\$22,575		\$22,575
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$34	\$34		\$34
100 Total Cash	\$430,046	\$99,451	\$529,497	\$0	\$529,497
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$83,468		\$83,468		\$83,468
124 Accounts Receivable - Other Government	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants	\$17,016	\$0	\$17,016		\$17,016
126.1 Allowance for Doubtful Accounts - Tenants	-\$15,771	\$0	-\$15,771		-\$15,771
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	\$11,028	\$11,028		\$11,028
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	\$84,713	\$0	\$84,713	\$0	\$84,713
131 Investments - Unrestricted	\$0	\$0	\$0		\$0
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability	\$0		\$0		\$0
142 Prepaid Expenses and Other Assets	\$14,919	\$724	\$15,643		\$15,643
143 Inventories	\$915	\$0	\$915		\$915
143.1 Allowance for Obsolete Inventories	-\$45	\$0	-\$45		-\$45
144 Inter Program Due From	\$715	\$0	\$715	-\$715	\$0
145 Assets Held for Sale	\$0	\$0	\$0		\$0
150 Total Current Assets	\$531,263	\$100,175	\$631,438	-\$715	\$630,723
161 Land	\$120,589	\$0	\$120,589		\$120,589
162 Buildings	\$5,144,708	\$0	\$5,144,708		\$5,144,708
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	\$725,154	\$0	\$725,154		\$725,154
166 Accumulated Depreciation	-\$4,492,936	-\$2,776	-\$4,495,712		-\$4,495,712
167 Construction in Progress	\$109,560	\$0	\$109,560		\$109,560
168 Infrastructure	\$0	\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,864,699	\$0	\$1,864,699	\$0	\$1,864,699
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current	\$0	\$0	\$0		\$0
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$1,864,699	\$0	\$1,864,699	\$0	\$1,864,699
200 Deferred Outflow of Resources	\$0	\$0	\$0		\$0
290 Total Assets and Deferred Outflow of Resources	\$2,395,962	\$100,175	\$2,496,137	-\$715	\$2,495,422

Financial Data Schedule

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

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2014

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
311 Bank Overdraft	\$0	\$0	\$0		\$0
312 Accounts Payable <= 90 Days	\$7,477	\$21	\$7,498		\$7,498
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$3,398	\$0	\$3,398		\$3,398
322 Accrued Compensated Absences - Current Portion	\$3,731	\$614	\$4,345		\$4,345
324 Accrued Contingency Liability	\$0	\$0	\$0		\$0
325 Accrued Interest Payable	\$0	\$0	\$0		\$0
331 Accounts Payable - HUD PHA Programs		\$14,976	\$14,976		\$14,976
332 Account Payable - PHA Projects	\$0	\$0	\$0		\$0
333 Accounts Payable - Other Government	\$11,007	\$0	\$11,007		\$11,007
341 Tenant Security Deposits	\$22,575	\$0	\$22,575		\$22,575
342 Unearned Revenue	\$9,141		\$9,141		\$9,141
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					
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	\$1,475	\$0	\$1,475		\$1,475
347 Inter Program - Due To	\$0	\$715	\$715	-\$715	\$0
348 Loan Liability - Current					
310 Total Current Liabilities	\$58,804	\$16,326	\$75,130	-\$715	\$74,415
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
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	\$29,031	\$3,943	\$32,974		\$32,974
355 Loan Liability - Non Current					
356 FASB 5 Liabilities	\$0	\$0	\$0		\$0
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$29,031	\$3,943	\$32,974	\$0	\$32,974
300 Total Liabilities	\$87,835	\$20,269	\$108,104	-\$715	\$107,389
400 Deferred Inflow of Resources	\$0	\$0	\$0		\$0
508.4 Net Investment in Capital Assets	\$1,864,699	\$0	\$1,864,699		\$1,864,699
511.4 Restricted Net Position	\$0	\$69,195	\$69,195		\$69,195
512.4 Unrestricted Net Position	\$443,428	\$10,711	\$454,139		\$454,139
513 Total Equity - Net Assets / Position	\$2,308,127	\$79,906	\$2,388,033	\$0	\$2,388,033
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,395,962	\$100,175	\$2,496,137	-\$715	\$2,495,422

Financial Data Schedule

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2014

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$124,878	\$0	\$124,878		\$124,878
70400 Tenant Revenue - Other	\$12,606	\$0	\$12,606		\$12,606
70500 Total Tenant Revenue	\$137,484	\$0	\$137,484	\$0	\$137,484
70600 HUD PHA Operating Grants	\$236,290	\$421,027	\$657,317		\$657,317
70610 Capital Grants	\$67,010	\$0	\$67,010		\$67,010
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue			\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0		\$0
71100 Investment Income - Unrestricted	\$220	\$8	\$228		\$228
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		\$0		\$0
71500 Other Revenue	\$11,190	\$22,788	\$33,978		\$33,978
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0		\$0
72000 Investment Income - Restricted	\$0		\$0		\$0
70000 Total Revenue	\$452,194	\$443,823	\$896,017	\$0	\$896,017
91100 Administrative Salaries	\$86,922	\$17,968	\$104,890		\$104,890
91200 Auditing Fees	\$9,887	\$3,296	\$13,183		\$13,183
91300 Management Fee					
91310 Book-keeping Fee	\$0	\$0	\$0		\$0
91400 Advertising and Marketing	\$351	\$0	\$351		\$351
91500 Employee Benefit contributions - Administrative	\$23,522	\$3,677	\$27,199		\$27,199
91600 Office Expenses	\$17,810	\$11,907	\$29,717		\$29,717
91700 Legal Expense	\$0	\$0	\$0		\$0
91800 Travel	\$8,230	\$0	\$8,230		\$8,230
91810 Allocated Overhead	\$0	\$0	\$0		\$0
91900 Other	\$10,524	\$672	\$11,196		\$11,196
91000 Total Operating - Administrative	\$157,246	\$37,520	\$194,766	\$0	\$194,766
92000 Asset Management Fee	\$0	\$0	\$0		\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0		\$0
92200 Relocation Costs	\$3,889	\$0	\$3,889		\$3,889
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0		\$0
92400 Tenant Services - Other	\$95	\$0	\$95		\$95
92500 Total Tenant Services	\$3,984	\$0	\$3,984	\$0	\$3,984

Financial Data Schedule

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2014

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
93100 Water	\$522	\$0	\$522		\$522
93200 Electricity	\$12,015	\$0	\$12,015		\$12,015
93300 Gas	\$1,239	\$0	\$1,239		\$1,239
93400 Fuel	\$0	\$0	\$0		\$0
93500 Labor	\$0	\$0	\$0		\$0
93600 Sewer	\$578	\$0	\$578		\$578
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0		\$0
93800 Other Utilities Expense	\$0	\$0	\$0		\$0
93000 Total Utilities	\$14,354	\$0	\$14,354	\$0	\$14,354
94100 Ordinary Maintenance and Operations - Labor	\$17,665	\$0	\$17,665		\$17,665
94200 Ordinary Maintenance and Operations - Materials and Other	\$42,672	\$0	\$42,672		\$42,672
94300 Ordinary Maintenance and Operations Contracts	\$92,350	\$0	\$92,350		\$92,350
94500 Employee Benefit Contributions - Ordinary Maintenance	\$3,470	\$0	\$3,470		\$3,470
94000 Total Maintenance	\$156,157	\$0	\$156,157	\$0	\$156,157
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	\$0
96110 Property Insurance	\$20,775	\$0	\$20,775		\$20,775
96120 Liability Insurance	\$3,975	\$316	\$4,291		\$4,291
96130 Workmen's Compensation	\$3,734	\$509	\$4,243		\$4,243
96140 All Other Insurance	\$5,136	\$891	\$6,027		\$6,027
96100 Total insurance Premiums	\$33,620	\$1,716	\$35,336	\$0	\$35,336
96200 Other General Expenses	\$0	\$3,308	\$3,308		\$3,308
96210 Compensated Absences	\$8,768	\$1,209	\$9,977		\$9,977
96300 Payments in Lieu of Taxes	\$11,112	\$0	\$11,112		\$11,112
96400 Bad debt - Tenant Rents	\$2,642	\$0	\$2,642		\$2,642
96500 Bad debt - Mortgages	\$0	\$0	\$0		\$0
96600 Bad debt - Other	\$0	\$11,028	\$11,028		\$11,028
96800 Severance Expense	\$0	\$0	\$0		\$0
96000 Total Other General Expenses	\$22,522	\$15,545	\$38,067	\$0	\$38,067
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	\$0
96900 Total Operating Expenses	\$387,883	\$54,781	\$442,664	\$0	\$442,664
97000 Excess of Operating Revenue over Operating Expenses	\$64,311	\$389,042	\$453,353	\$0	\$453,353

Financial Data Schedule

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2014

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$0	\$0	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$200	\$0	\$200		\$200
97300 Housing Assistance Payments	\$0	\$318,278	\$318,278		\$318,278
97350 HAP Portability-In	\$0	\$20,147	\$20,147		\$20,147
97400 Depreciation Expense	\$221,060	\$0	\$221,060		\$221,060
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	\$609,143	\$393,206	\$1,002,349	\$0	\$1,002,349
10010 Operating Transfer In	\$4,297	\$0	\$4,297		\$4,297
10020 Operating transfer Out	-\$4,297	\$0	-\$4,297		-\$4,297
10030 Operating Transfers from/to Primary Government		\$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	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$156,949	\$50,617	-\$106,332	\$0	-\$106,332
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$2,465,076	\$29,289	\$2,494,365		\$2,494,365
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$0	\$0		\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		\$10,711	\$10,711		\$10,711
11180 Housing Assistance Payments Equity		\$69,195	\$69,195		\$69,195
11190 Unit Months Available	1080	1054	2134		2134
11210 Number of Unit Months Leased	1029	870	1899		1899
11270 Excess Cash	\$424,347		\$424,347		\$424,347
11610 Land Purchases	\$0		\$0		\$0
11620 Building Purchases	\$67,010		\$67,010		\$67,010
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, 2014

Bridgette Tanner, Executive Director

Purpose	Amount
Salary	\$63,136.56
Benefits-insurance	6,733.44
Benefits-retirement, net (Less: employee paid retirement and loans)	5,129.76
Car allowance	
Reported value of the use of a vehicle provided by the agency for this FY, this should correspond to IRS reporting.	
Travel net of advances paid and the actual costs reported to the PHA.	
Unvouchered Expenses (such as advances not settled up @ FYE)	
All other	

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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, 2014, and the related notes to the financial statements, which collectively comprise the authority's basic financial statements, and have issued my report thereon dated March 10, 2015.

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*, 2014

Page Two

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

Compliance and Other Matters

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

Purpose of this Report

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

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

March 10, 2015

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**Independent Auditor's Report on Compliance For Each Major Federal Program
and on Internal Control Over Compliance Required by OMB Circular A-133**

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

Report on Compliance for Each Major Federal Program

I have audited the Housing Authority of the city of Grambling's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the authority's major federal programs for the year ended September 30, 2014. The authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Report on Compliance...A-133, 2014

Page Two

standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my opinion, the authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over compliance.

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

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana
Report on Compliance...A-133, 2014
Page Three

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

March 10, 2015

Housing Authority of the City of Grambling
Grambling, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2014

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
U.S. Department of Housing and Urban Development:		
Direct Programs:		
Low Rent Public Housing	14.850a	\$ 231,993
Housing Choice Voucher Program	14.871	421,027
Public Housing Capital Fund Program	14.872	71,307
Total Federal Expenditures		<u>\$ 724,327</u>

See accompanying notes to schedule of expenditures of federal awards.

HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2014

NOTE A – General

The accompanying Schedule of Expenditures of Federal Awards presents all of the Federal awards programs of the Authority. The authority reporting entity is defined in Note 1 to the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies are included in this schedule.

NOTE B – Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards Programs is presented using the accrual basis of accounting, which is described in Note 1 to the authority's basic financial statements.

NOTE C – Relationship to Basic Financial Statements

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

Low Rent Public Housing	\$	231,993
Housing Choice Voucher Program	\$	421,027
Public Housing Capital Fund Program	\$	71,307

NOTE D – Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with GAAP.

NOTE E- FEDERAL AWARDS

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

HOUSING AUTHORITY OF THE CITY OF GRAMBLING
Grambling, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2014

The threshold used for distinguishing between Type A and B programs was \$300,000.

Auditee qualified as a low-risk auditee? yes no

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

None

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COST

None

HOUSING AUTHORITY OF THE CITY OF GRAMBLING
Grambling, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended September 30, 2014

There were no findings in the prior audit.

HOUSING AUTHORITY OF THE CITY OF GRAMBLING
Grambling, Louisiana

Schedule of Compensation Paid to Board Members
Fiscal Year Ended September 30, 2014

Board members serve without compensation