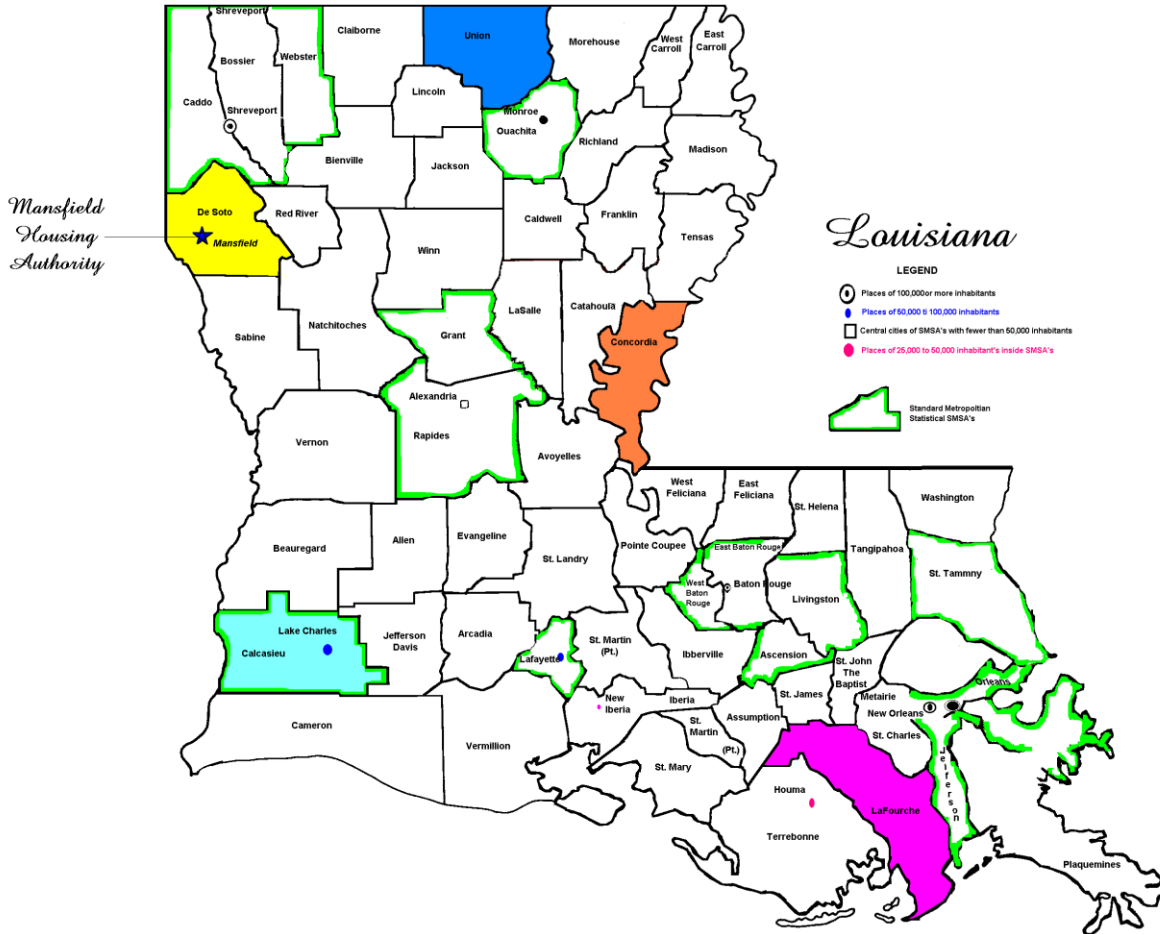


**HOUSING AUTHORITY
OF THE
TOWN OF MANSFIELD, LOUISIANA**

Annual Financial Statements

September 30, 2020

HOUSING AUTHORITY OF THE TOWN OF MANSFIELD MANSFIELD, LOUISIANA



◆ Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low income housing programs in the United States. Accordingly, HUD has contracted with the entity to administer certain HUD funds. The entity is a public corporation, legally separate, fiscally independent and governed by Board of Commissioners.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

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September 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

Housing Authority of the
Town of Mansfield, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Mansfield, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing 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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the Town of Mansfield, as of September 30, 2020, 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 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of Mansfield's basic financial statements. The accompanying Financial Data Schedule, required by HUD, and supplementary schedules and statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Financial Data Schedule, supplementary schedules and statements, and 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 our opinion, the Financial Data Schedule, supplementary schedules and statements, and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021, on our consideration of the Housing Authority of the Town of Mansfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the Town of Mansfield's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana
February 5, 2021

**Housing Authority of the Town of Mansfield
Management's Discussion and Analysis
September 30, 2020**

As management of the Housing Authority of the Town of Mansfield, we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements, which are attached.

Financial Highlights

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$2,132,461 (net position). Of this amount, \$1,198,696 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority had total revenue of \$1,146,236. Of this amount, \$1,127,538 was operating revenues and \$18,698 was non-operating revenues.
- The Housing Authority had total expenses of \$855,468, all of which was used for operating expenses. Of this amount, \$130,627 was for depreciation expense, which is a non-cash transaction.
- The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Authority is a special-purpose entity engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective October 1, 2003, the Authority adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

**Housing Authority of the Town of Mansfield
Management's Discussion and Analysis
September 30, 2020**

Fund Financial Statements

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has two federally funded programs that are consolidated into a single enterprise fund.

Low Rent Public Housing – The Authority's Low Rent Public Housing rents housing units to low-income families. The Low Rent Public Housing program is operated under an Annual Contribution Contract (ACC) with HUD; HUD provides an operating subsidy to enable the Authority to provide housing at a rent that is based upon 30% of adjusted gross household income.

Capital Fund Program (CFP) – The Low Rent Public Housing Program also includes the CFP as the primary funding source for the Authority's physical and management improvements. CFP funding is provided by formula allocation and based upon size and age of the Authority's units.

Using This Annual Report

The Housing Authority's annual report consists of financial statements that show information about the Housing Authority's fund, an enterprise fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

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

Proprietary funds – All of the Housing Authority's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

**Housing Authority of the Town of Mansfield
Management's Discussion and Analysis
September 30, 2020**

Statement of Net Position

The following table represents a Comparative Balance Sheet as of September 30, 2020:

| | <u>2019</u> | <u>2020</u> | <u>% Change</u> |
|--|---------------------|---------------------|-----------------|
| Current Assets | \$ 950,159 | \$ 1,273,141 | 34.0 |
| Current Restricted Assets | 25,344 | 24,944 | -1.6 |
| Capital Assets, Net of Depreciation | <u>1,056,992</u> | <u>933,765</u> | -11.7 |
| Total Assets | <u>2,032,495</u> | <u>2,231,850</u> | 9.8 |
| | | | |
| Current Liabilities | 67,145 | 58,471 | -13.0 |
| Current Liabilities Payable from Restricted Assets | 25,344 | 24,944 | -1.6 |
| Non-Current Liabilities | <u>27,119</u> | <u>15,974</u> | -41.0 |
| Total Liabilities | <u>119,608</u> | <u>99,389</u> | -17.0 |
| | | | |
| Equity | | | |
| Net Investment in Capital Assets | 1,056,992 | 933,765 | -11.7 |
| Unrestricted Net Position | <u>843,895</u> | <u>1,198,696</u> | 42.0 |
| Total Net Position | <u>1,900,887</u> | <u>2,132,461</u> | 12.2 |
| Total Liabilities & Net Position | <u>\$ 2,032,495</u> | <u>\$ 2,231,850</u> | 9.8 |

- Total assets increased by \$199,355 or 9.8%. The main cause for this increase is because of an increase in current assets in the amount of \$322,982.
- Total liabilities decreased by \$20,219 or 17.0%. The main cause for this decrease is because of a decrease in unearned revenue in the amount of \$27,999.
- Unrestricted net position increased by \$354,801 or 42.0%. The increase in current assets is the main contributor for this increase.

**Housing Authority of the Town of Mansfield
Management's Discussion and Analysis
September 30, 2020**

Changes in Net Position

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended September 30, 2020:

| | <u>2019</u> | <u>2020</u> | <u>% Change</u> |
|--|---------------------|---------------------|-----------------|
| Operating Revenues | | | |
| Tenant Revenue | \$ 281,942 | \$ 230,389 | -18.3 |
| HUD PHA Operating | 411,420 | 897,149 | 118.1 |
| Total Operating Revenues | <u>693,362</u> | <u>1,127,538</u> | 62.6 |
| Operating Expenses | | | |
| Administrative | 276,266 | 241,516 | -12.6 |
| Utilities | 63,169 | 59,692 | -5.5 |
| Maintenance | 261,077 | 281,441 | 7.8 |
| General Expenses | 133,713 | 142,192 | 6.3 |
| Depreciation | 135,673 | 130,627 | -3.7 |
| Total Operating Expenses | <u>869,898</u> | <u>855,468</u> | -1.7 |
| Operating Income (Loss) | <u>(176,536)</u> | <u>272,070</u> | 254.1 |
| Non-Operating Revenues (Expenses) | | | |
| Investment Income | 201 | 224 | 11.4 |
| Other Revenue | 25,068 | 18,474 | -26.3 |
| Total Non-Operating Revenues (Expenses) | <u>25,269</u> | <u>18,698</u> | -26.0 |
| Change in Net Position | (151,267) | 290,768 | 292.2 |
| Prior Period Adjustment | -0- | (59,194) | 100.0 |
| Beginning Net Position | 2,052,154 | 1,900,887 | -7.4 |
| Ending Net Position | <u>\$ 1,900,887</u> | <u>\$ 2,132,461</u> | 12.2 |

- Total operating revenues increased by \$434,176 or 62.6%. This was mainly due to an increase in HUD PHA Operating monies in the amount of \$485,729.
- Total operating expenses decreased by \$14,430 or 1.7%. This was mainly due to a decrease in administrative expense in the amount of \$34,750.
- Non-operating revenues (expenses) changed by \$6,571 or 26.0%. This change is mainly due to a decrease in other revenue in the amount of \$6,594.

**Housing Authority of the Town of Mansfield
Management’s Discussion and Analysis
September 30, 2020**

Capital Asset & Debt Administration

Capital Assets

At September 30, 2020, the Housing Authority had \$933,765 invested in a broad range of capital assets, including land, buildings, leasehold improvements, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$123,227 or 11.7% from last year.

Capital Assets at Year-End

| | <u>2019</u> | <u>2020</u> |
|-------------------------------|---------------------|--------------------|
| Land * | \$ 47,446 | \$ 47,446 |
| Leasehold Improvements | 749,644 | 654,869 |
| Buildings | 7,449,140 | 7,551,315 |
| Furniture & Equipment, Etc. | <u>333,563</u> | <u>333,563</u> |
| Total | <u>8,579,793</u> | <u>8,587,193</u> |
| Less Accumulated Depreciation | <u>(7,522,801)</u> | <u>(7,653,428)</u> |
| Net Capital Assets | <u>\$ 1,056,992</u> | <u>\$ 933,765</u> |

* Land in the amount of \$47,446 is not being depreciated.

No debt was issued for additions in capital assets.

Debt

Our long-term debt consists of accrued annual leave of \$15,974. We present more detail about our long-term liabilities in the notes to the financial statements.

Future Events that will impact the Authority

The Authority relies heavily upon HUD operating subsidies. The amount appropriated has not currently been approved for the 2021 fiscal year. Therefore, any results of budget shortfalls cannot be determined.

The Authority is under a contract through its Capital Fund Program to continue with the work as stated above and incorporate any new work items into its operation.

Contacting the Housing Authority’s Financial Management

Our financial report is designed to provide our citizens, taxpayers, 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 Felicia Franklin, Executive Director, at the Housing Authority of the Town of Mansfield, PO Box 1020, Mansfield, Louisiana, 71052, telephone number (318) 872-1383.

Basic Financial Statements

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Statement of Net Position
September 30, 2020**

| ASSETS | ENTERPRISE FUND |
|---|----------------------------|
| CURRENT ASSETS | |
| Cash & Cash Equivalents | \$ 1,025,867 |
| Investments | 20,666 |
| Receivables, Net | 127,508 |
| Inventory, Net | 38,514 |
| Prepaid Items | 59,650 |
| Restricted: | |
| Tenant Security Deposit Cash | 24,944 |
| TOTAL CURRENT ASSETS | <u>1,297,149</u> |
| NON-CURRENT ASSETS | |
| Capital Assets, Net of Accumulated Depreciation | 933,765 |
| TOTAL NON-CURRENT ASSETS | <u>933,765</u> |
| TOTAL ASSETS | <u><u>2,230,914</u></u> |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Accounts Payable | 10,155 |
| Accrued Compensated Absences | 6,355 |
| Accrued Wages & Payroll Taxes Payable | 12,986 |
| Unearned Revenue | 22,410 |
| Other Current Liabilities | 5,629 |
| TOTAL CURRENT LIABILITIES | <u>57,535</u> |
| LIABILITIES PAYABLE FROM RESTRICTED ASSETS | |
| Tenant Security Deposits | 24,944 |
| TOTAL LIABILITIES PAYABLE FROM RESTRICTED ASSETS | <u>24,944</u> |
| NON-CURRENT LIABILITIES | |
| Accrued Compensated Absences | 15,974 |
| TOTAL NON-CURRENT LIABILITIES | <u>15,974</u> |
| TOTAL LIABILITIES | <u>98,453</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 933,765 |
| Unrestricted | 1,198,696 |
| TOTAL NET POSITION | <u>\$ 2,132,461</u> |

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Statement of Revenues, Expenses, & Changes in Net Position
Year Ended September 30, 2020**

| | ENTERPRISE FUND |
|---|----------------------------|
| OPERATING REVENUES | |
| Tenant Rental Revenue | \$ 230,389 |
| HUD PHA Operating Grant | 897,149 |
| TOTAL OPERATING REVENUES | 1,127,538 |
| OPERATING EXPENSES | |
| <i>Administration:</i> | |
| Administrative Salaries | 120,688 |
| EBC Administrative | 59,745 |
| Accounting/Legal | 10,800 |
| Other Operating - Administrative | 50,283 |
| <i>Cost of Sales & Service:</i> | |
| Water | 33,120 |
| Electricity | 7,526 |
| Gas | 1,682 |
| Sewer | 17,306 |
| Other Utilities | 58 |
| Tenant Services | 4,427 |
| Ordinary Maintenance – Labor | 103,687 |
| Materials | 69,349 |
| Contract Cost | 59,262 |
| EBC Maintenance | 49,143 |
| Insurance | 98,980 |
| Compensated Absences | 16,263 |
| Bad Debt Tenant’s Rent | 22,522 |
| <i>Depreciation</i> | 130,627 |
| TOTAL OPERATING EXPENSES | 855,468 |
| OPERATING INCOME (LOSS) | 272,070 |
| NONOPERATING REVENUES (EXPENSE) | |
| Interest Earnings | 224 |
| Other Revenue | 18,474 |
| TOTAL NONOPERATING REVENUES (EXPENSES) | 18,698 |
| CHANGE IN NET POSITION | 290,768 |
| PRIOR PERIOD ADJUSTMENT | (59,194) |
| TOTAL NET POSITION – BEGINNING | 1,900,887 |
| TOTAL NET POSITION – ENDING | \$ 2,132,461 |

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Statement of Cash Flows
Year Ended September 30, 2020**

| | ENTERPRISE FUND |
|---|----------------------------|
| | |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts From Customers & Users | \$ 149,685 |
| Receipts From HUD | 1,506,405 |
| Payments to Suppliers & Others | (500,466) |
| Payments to Employees | (231,589) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 924,035 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Cash Provided by Other Sources of Income | 18,474 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | 18,474 |
| CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES | |
| Acquisition & Construction of Capital Assets | (7,400) |
| Capital Grants | -0- |
| NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES | (7,400) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest & Dividends Received | 224 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 224 |
| NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS | 935,333 |
| CASH, BEGINNING OF YEAR | 115,478 |
| CASH, END OF YEAR | 1,050,811 |
| RECONCILIATION TO BALANCE SHEET | |
| Cash and Cash Equivalents | 1,025,867 |
| Tenants' Security Deposits | 24,944 |
| TOTAL CASH & CASH EQUIVALENTS | \$ 1,050,811 |

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Statement of Cash Flows
Year Ended September 30, 2020**

Reconciliation

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

| | | |
|---|-----------|----------------|
| Operating Income (Loss) | \$ | 272,070 |
| Depreciation Expense | | 130,627 |
| (Increase) Decrease in Accounts Receivable | | (58,870) |
| (Increase) Decrease in HUD Receivables | | 664,552 |
| (Increase) Decrease in Inventories | | (34,302) |
| (Increase) Decrease in Prepaid Items | | (17,823) |
| Increase (Decrease) in Accounts Payable | | (3,171) |
| Increase (Decrease) in Compensated Absences | | (14,652) |
| Increase (Decrease) in Wages & Payroll Taxes Payable | | 7,438 |
| Increase (Decrease) in Tenant Security Deposits | | (400) |
| Increase (Decrease) in Prepaid Rents | | (21,434) |
| TOTAL ADJUSTMENTS | | 651,965 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ | 924,035 |

LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES

| | | |
|---|----|-----|
| Contributions of Capital Assets From Government | \$ | -0- |
|---|----|-----|

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

INTRODUCTION

The Housing Authority of the Town of Mansfield is a 140-unit apartment complex for persons of low income located in Mansfield, Louisiana. The Authority is chartered as a public corporation for the purpose of administering decent, safe and sanitary dwelling for persons of low-income.

Legal title to the Authority is held by the Housing Authority of the Town of Mansfield, Louisiana, a non-profit corporation. The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of Mansfield, Louisiana. Each member serves a four-year term and receives no compensation for their services. Substantially all of the Authority's revenue is derived from subsidy contracts with the U. S. Department of Housing and Urban Development (HUD). The annual contributions contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities for eligible individuals.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separated and fiscally independent, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, activities, etc., that are within the oversight responsibility of the Housing Authority.

The Housing Authority is a related organization of the Town of Mansfield because the Town of Mansfield appoints a voting majority of the Housing Authority's governing board. The Town of Mansfield is not financially responsible for the Housing Authority, as it cannot impose its will on the Housing Authority and there is no possibility for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Mansfield. According, the Housing Authority is not a component unit of the financial reporting entity of the Town of Mansfield.

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. BASIC FINANCIAL STATEMENTS

The basic financial statements (i.e., the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position) report information on all of the activities of the Housing Authority.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2020**

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accompanying financial statements include the activities of several housing programs subsidized by HUD. A summary of each significant program is provided below.

- **Low Income Housing Program** – The purpose of the low-income housing program is to provide decent and affordable housing to low-income families at reduced rents. The developments are owned, maintained and managed by the Authority. The developments are acquired, developed and modernized under HUD’s capital funds programs. Funding of the program operations is provided via federal annual contribution contracts (operating subsidies) and tenant rents (determined as a percentage of family income, adjusted for family composition).
- **Capital Fund Program** – The Conventional Public Housing Program also includes the Capital Fund Program, the primary funding source for the Housing Authority’s physical and management improvements. The funding calculation is based on the size and age of the Housing Authority’s units.

As a general rule, the effect of Interfund activity has been eliminated from the basic financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s enterprise operations. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Operating revenues and expenses have been reported separately from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The primary operating revenue of the Housing Authority is derived from tenant revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2020**

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

D. DEPOSITS & INVESTMENTS

The Housing 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. State law and the Housing Authority’s investment policy allow the Housing Authority to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the Housing Authority are reported at fair value.

E. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year referred to as either “due to/from other funds” (i.e., the current portion of Interfund loans) or “advances to/from other funds” (i.e., the non-current portion of Interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Advances between funds, as reported in the accompanying basic financial statements, are offset by a restriction on net position. All trade and other receivables are shown net of an allowance for uncollectibles.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2020**

F. INVENTORIES & PREPAID ITEMS

All inventories are valued at cost using the first-in/first out method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

G. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable columns in the basic financial statements. Capital assets are capitalized at historical cost. The Housing Authority maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|-----------------------------------|------------------------|
| Land Improvements | 15-20 years |
| Buildings & Building Improvements | 15-40 years |
| Furniture & Fixtures | 3-7 years |
| Equipment | 3-7 years |
| Vehicles | 5 years |

H. COMPENSATED ABSENCES

The Housing Authority has the following policy relating to vacation and sick leave:

The Authority follows the civil service guidelines for vacation and sick leave. Employees' time is accumulated in accordance to hours worked per month. At year-end, time not used is accumulated.

At September 30, 2020, employees of the PHA have accumulated and vested \$22,329 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at September 30, 2020, was \$6,355 recorded as current obligation and \$15,974 recorded as non-current obligation.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2020**

I. LONG-TERM OBLIGATIONS

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

J. EXTRAORDINARY & SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Housing Authority, which are either unusual in nature or infrequent in occurrence.

K. ESTIMATES

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

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At September 30, 2020, the Housing Authority has cash and investments (bank balances) totaling \$1,111,647 as follows:

| | | |
|-----------------|-----------|-------------------------|
| Demand deposits | \$ | 1,090,981 |
| Time deposits | | 20,666 |
| Total | \$ | <u>1,111,647</u> |

Of the above amounts, \$24,944 is restricted for tenant's security deposits.

These deposits are stated at cost, which approximated market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2020**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity’s name.

Deposits

It is the Housing Authority’s policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Housing Authority’s deposits are categorized to give an indication of the level of risk assumed by the Housing Authority at year end. The categories are described as follows:

- ***Category 1*** – Insured or collateralized with securities held by the housing authority or by its agent in the Housing Authority’s name.
- ***Category 2*** – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Housing Authority’s name.
- ***Category 3*** – Uncollateralized.

Amounts on deposit are secured by the following pledges:

| <u>Description</u> | <u>Market Value</u> |
|-------------------------|---------------------|
| FDIC (Category 1) | \$ 250,000 |
| Securities (Category 2) | 878,880 |
| Total | \$ 1,128,880 |

Deposits were fully secured as of September 30, 2020.

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of Mansfield Housing Authority. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand savings accounts and certificates of deposit under 90 days.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2020**

3. RECEIVABLES

The receivables of \$127,508 as of September 30, 2020, were as follows:

| | | |
|---------------------------------|----|----------------|
| HUD Receivable | \$ | 97,353 |
| Tenants' Rents | | 33,399 |
| Allowance for Doubtful Accounts | | (3,244) |
| Total | \$ | <u>127,508</u> |

4. INVENTORY

The inventories, stated at cost, of \$38,514, as of September 30, 2020, are as follows:

| | | |
|------------------------------------|----|---------------|
| Inventories | \$ | 38,514 |
| Allowance for Obsolete Inventories | | -0- |
| Inventories, Net | \$ | <u>38,514</u> |

5. PREPAID ITEMS

The Housing Authority's prepaid items as of September 30, 2020, consist of the following:

| | | |
|-------------------|----|---------------|
| Prepaid Insurance | \$ | 59,650 |
| Total | \$ | <u>59,650</u> |

6. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2020, was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|-------------------------------|------------------------------|--------------------|--------------------|---------------------------|
| Land * | \$ 47,446 | \$ -0- | \$ -0- | \$ 47,446 |
| Leasehold Improvements | 749,643 | -0- | (94,774) | 654,869 |
| Buildings | 7,449,141 | 102,174 | -0- | 7,551,315 |
| Furniture & Equipment, Etc. | 333,563 | -0- | -0- | 333,563 |
| Total | <u>8,579,793</u> | <u>102,174</u> | <u>(94,774)</u> | <u>8,587,193</u> |
| Less Accumulated Depreciation | (7,522,801) | (130,627) | -0- | (7,653,428) |
| Net Capital Assets | <u>\$ 1,056,992</u> | <u>\$ (28,453)</u> | <u>\$ (94,774)</u> | <u>\$ 933,765</u> |

* Land in the amount of \$47,446 is not being depreciated.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2020**

7. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$51,906 at September 30, 2020, are as follows:

| | | |
|--|-----------|----------------------|
| Accounts Payable | \$ | 10,155 |
| Wages & Payroll Taxes Payable | | 12,986 |
| Accrued Compensated Absences (Current) | | 6,355 |
| Unearned Revenue | | 22,410 |
| Other Current Liabilities | | 5,629 |
| Total | \$ | <u>57,535</u> |

8. CHANGES IN COMPENSATED ABSENCES PAYABLES

The following is a summary of changes in compensated absences payable at September 30, 2020:

| | | <u>Current</u> | | <u>Noncurrent</u> | | <u>Total</u> |
|-----------------------|-----------|---------------------|-----------|----------------------|-----------|----------------------|
| Beginning of year | \$ | 9,862 | \$ | 27,119 | \$ | 36,981 |
| Additions/Retirements | | <u>(3,507)</u> | | <u>(11,145)</u> | | <u>(14,652)</u> |
| End of year | \$ | <u>6,355</u> | \$ | <u>15,974</u> | \$ | <u>22,329</u> |

9. LONG-TERM OBLIGATIONS

To provide for the development and modernization of low-rent housing units, the PHA issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the Authority, and accordingly, have not been reported in the accompanying financial statements. This debt has been reclassified to HUD equity.

10. CONTINGENT LIABILITIES

The Housing Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the Housing Authority in the current and prior years. These examinations may result in required refunds by the Housing Authority to federal grantors and/or program beneficiaries.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2020**

11. COMMITMENTS & CONTINGENCIES

Construction Projects – There are certain major construction projects in progress as of September 30, 2020. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Grant Disallowances – The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs are audited in accordance with the Single Audit Act Uniform Guidance, these programs are still subject to compliance audits. Housing authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Grant Receivables – The PHA is currently in “troubled status” and HUD has withheld some of its operating subsidy funding and CFP funding. The withheld funds have been recorded as a receivable from HUD pending corrective action by the Housing Authority.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public place and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Authority operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Authority anticipates this could negatively affects its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

12. ECONOMIC DEPENDENCY

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 & Urban Development provided \$897,149 to the Housing Authority, which represents approximately 78.3% of the Housing Authority’s revenue for the year.

13. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, February 5, 2021, of the independent auditor’s report for potential recognition or disclosure in the financial statements.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2020**

14. PENSION PLAN

The Housing Authority provides a SEP plan to its employees where the Housing Authority contributes 25% of the employee's base salary and the employee contributes 0%. The Housing Authority's contribution was \$49,349 on \$197,396 covered payroll.

15. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the amount of \$59,194 to close out CFP projects closed per HUD's instructions.

Supplemental Information

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Schedule of Compensation Paid to Board Members
Year Ended September 30, 2020**

| Board Member | Title |
|---------------------|---------------------|
| Jimmy Jones | Board Chairman |
| Mitchell Lewis | Board Vice Chairman |
| James Booker | Board Resident |
| Robert Vance | Board Member |

Each board member received \$-0- per meeting when present.

See independent auditor's report.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended September 30, 2020**

Mansfield Housing Authority
Linda Washington, Executive Director (10/1/2019 – 12/31/2019)

| <u>Purpose</u> | <u>Amount</u> |
|--|---------------|
| Salary | \$ 28,361 |
| Benefits-Insurance | 2,269 |
| Benefits-Retirement | 4,496 |
| Benefits (List any other here) | -0- |
| Car Allowance | -0- |
| Vehicle Provided by Government | -0- |
| Per Diem | -0- |
| Reimbursements | -0- |
| Travel | -0- |
| Registration Fees | -0- |
| Conference Travel | -0- |
| Continuing Professional Education Fees | -0- |
| Housing | -0- |
| Un-vouchered Expenses* | -0- |
| Special Meals | \$ -0- |

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended September 30, 2020**

Mansfield Housing Authority
Felicia Franklin, Executive Director (1/1/2020 – 9/30/2020)

| <u>Purpose</u> | <u>Amount</u> |
|--|---------------|
| Salary | \$ 28,769 |
| Benefits-Insurance | 4,066 |
| Benefits-Retirement | 7,083 |
| Benefits (List any other here) | -0- |
| Car Allowance | -0- |
| Vehicle Provided by Government | -0- |
| Per Diem | -0- |
| Reimbursements | -0- |
| Travel | -0- |
| Registration Fees | -0- |
| Conference Travel | -0- |
| Continuing Professional Education Fees | -0- |
| Housing | -0- |
| Un-vouchered Expenses* | -0- |
| Special Meals | \$ -0- |

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Federal Expenditures (\$) |
|--|------------------------------------|--|
| Other Programs | | |
| Default Agency | | |
| Public Housing CARES Act | | |
| Public Housing CARES Act | 21.019 | \$ 4,427 |
| Total Public Housing CARES Act | | <u>4,427</u> |
| Total Default Agency | | <u>4,427</u> |
| Department of Housing and Urban Development | | |
| Public Housing Capital Fund | | |
| Public Housing Capital Fund | 14.872 | 84,176 |
| Total Public Housing Capital Fund | | <u>84,176</u> |
| Public and Indiana Housing | | |
| Public and Indiana Housing | 14.850 | 735,065 |
| Total Public and Indiana Housing | | <u>735,065</u> |
| <i>Total Department of Housing and Urban Development</i> | | <u>819,241</u> |
| Total Other Programs | | <u>823,668</u> |
| Total Expenditures of Federal Awards | | <u>\$ 823,668</u> |

See independent auditor's report.
The accompanying notes are an integral part of this schedule

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020**

Note A – Single Audit Requirements

In July 1996, the Single Audit Act Amendments of 1996 (1996 Act) were enacted and superseded the Single Audit Act of 1984. In June 1997 OMB issued a revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, to implement the changes from the 1996 Act and to rescind Circular A-128. On 06/27/2003 OMB Circular A-133 was revised for fiscal years ending 12/31/2003 and forward. For 2015 and forward OMB Circular A-133 has been superseded in its entirety by OMB’s *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) which changes the single audit threshold to \$750,000.

The funds used to account for these funds use the accrual basis of accounting.

1.) General

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

2.) Basis of Accounting

The accompanying Schedule of expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority’s basic financial statements.

3.) Relationship to Basic Financial Statements

Federal award revenues are reported in the Housing Authority’s basic financial statements as follows:

| | | |
|---|----|----------------|
| General: | | |
| Operating Subsidy – Public & Indian Housing | \$ | 735,065 |
| Capital Fund Grant | | 84,176 |
| CARES Act | | 4,427 |
| Total | \$ | <u>823,668</u> |

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 U.S. generally accepted accounting principles.

4.) Federal Awards

In accordance with HUD Notice PIH 98-14, “federal awards” do not include the Housing Authority’s operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be “expended” during the fiscal year.

5.) Indirect Cost Rate

Mansfield Housing Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Presented for purposes of additional analysis only.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**Statement and Certification of Actual Modernization Cost
Annual Contribution Contract
September 30, 2020**

| | <u>Complete CFP Project 501-2009</u> | <u>Complete CFP Project 501-2010</u> | <u>Complete CFP Project 501-2011</u> | <u>Complete CFP Project 501-2012</u> | <u>Complete CFP Project 501-2013</u> | <u>Complete CFP Project 501-2014</u> | <u>Complete CFP Project 501-2017</u> | <u>CFP Project 501-2018</u> | <u>CFP Project 501-2019</u> | <u>CFP Project 501-2020</u> | <u>Total</u> |
|---|--|--|--|--|--|--|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|
| The Actual Modernization Costs are as follows: | | | | | | | | | | | |
| 1. Funds Authorized Total | \$ 203,289 | \$ 210,277 | \$ 178,614 | \$ 157,819 | \$ 18,000 | \$ -0- | \$ 135,363 | \$ 283,736 | \$ 294,492 | \$ 316,738 | \$ 1,798,328 |
| Funds Expended | <u>(203,289)</u> | <u>(210,277)</u> | <u>(178,614)</u> | <u>(157,819)</u> | <u>(18,000)</u> | <u>-0-</u> | <u>(135,363)</u> | <u>(181,828)</u> | <u>(73,623)</u> | <u>(78,746)</u> | <u>(1,237,559)</u> |
| Excess of Funds Approved | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>101,908</u> | <u>220,869</u> | <u>237,992</u> | <u>560,769</u> |
| 2. Funds Advanced | 203,289 | 210,277 | 178,614 | 157,819 | 18,000 | -0- | 135,363 | 181,828 | 73,623 | 78,746 | 1,237,559 |
| Funds Expended | <u>(203,289)</u> | <u>(210,277)</u> | <u>(178,614)</u> | <u>(157,819)</u> | <u>(18,000)</u> | <u>-0-</u> | <u>(135,363)</u> | <u>(181,828)</u> | <u>(73,623)</u> | <u>(78,746)</u> | <u>(1,237,559)</u> |
| Excess of Funds Advanced | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

See independent auditor's report



Other Reports

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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*

Housing Authority of the
Town of Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the Town of Mansfield, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Mansfield's basic financial statements, and have issued our report thereon dated February 5, 2021.

Internal Control Over Financial Reporting

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

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

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

the accompanying schedule of findings and questioned costs as item [2020-1 Accounts Receivable (Tenants' Rent)] that we consider to be material weaknesses.

Compliance and Other Matters

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

Housing Authority of the Town of Mansfield's Response to Findings

Housing Authority of the Town of Mansfield's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Housing Authority of the Town of Mansfield's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
February 5, 2021

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

Housing Authority of the Town of Mansfield
Mansfield, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the Town of Mansfield's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the Town of Mansfield's major federal programs for the year ended September 30, 2020. The Housing Authority of the Town of Mansfield'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

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

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

Basis for Qualified Opinion on Public and Indian Housing CFDA 14.850

As described in Finding **2020-2** in the accompanying schedule of findings and questioned costs, the Housing Authority Town of Mansfield, did not comply with requirements regarding the following:

| Finding | CFDA | Program Name | Compliance Requirement |
|----------------|-------------|-------------------------|-------------------------------|
| 2020-2 | 14.850 | Public & Indian Housing | Eligibility |

Compliance with such requirements is necessary, in our opinion, for the Housing Authority of the Town of Mansfield to comply with the requirements applicable to that program.

Opinion on Each Major Federal Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion Paragraph, the Housing Authority of the Town of Mansfield, 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, 2020.

Other Matters

The Housing Authority of the Town of Mansfield, Louisiana's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Housing Authority of the Town of Mansfield, Louisiana's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Housing Authority of the Town of Mansfield is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the Town of Mansfield'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Mansfield's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 materiel weakness over compliance* is a deficiency, or a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item [2020-2 Eligibility] to be a material weakness.

The Housing Authority of the Town of Mansfield's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Housing Authority of the Town of Mansfield's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

This report is intended solely for the information and use of management, the Legislator Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana

February 5, 2021

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020**

We have audited the basic financial statements which collectively comprise the Housing Authority of the Town of Mansfield, Louisiana, as of and for the year ended September 30, 2020, and have issued our report thereon date February 5, 2021. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I Summary of Auditor’s Results

Our audit of the basic financial statements as of September 30, 2020, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Basic Financial Statements Yes

b. Federal Awards

Internal Control

Material Weaknesses Yes Other Conditions Yes

Type of Opinion on Compliance Unmodified Modified
For Major Programs Disclaimer Adverse

Are the findings required to be reported in accordance with Uniform Guidance?

Yes

c. Identification Of Major Programs:

| CFDA Number (s) | Name of Federal Program (or Cluster) |
|-----------------|--------------------------------------|
| 14.850 | Public and Indiana Housing |

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

Is the auditee a ‘low-risk’ auditee, as defined by OMB Uniform Guidance? Yes No

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020**

Section II Financial Statement Findings

2020-1 Accounts Receivable (Tenants' Rent) (Internal Control)

Condition: The Housing Authority had accounts receivable (tenant's rent) of \$33,399 as of 9/30/2020.

Criteria: Continued increase in accounts receivable (tenant's rent) will result in loss of revenue and potential financial hardship.

Cause of Condition: Not following the accounts receivable policy, including reviewing, and collecting outstanding tenant revenue.

Effect of Condition: Financial hardship on the Housing Authority.

Recommendation: The Housing Authority should review accounts receivable (tenant's rent) on a monthly basis and review all policies regarding collections going forward.

Client Response: The Housing Authority review its policies regarding this matter and make efforts to collect rent timely in order to reduce accounts receivable (tenant's rent).

Section III Federal Awards Findings and Questioned Costs

2020-2 Eligibility (Compliance) (Internal Control)

Condition: A random sample of 51 tenant files were selected and tested for income eligibility, 3rd party verification, recalculating tenant's rent, selection from waiting list, reexamination once every 12 months, family report, and trace calculated rent to rental registry. 39 of the tenant files were not updated or reexamined within a 12 month period. The other 12 tenant files were new tenants.

Criteria: The Housing Authority must do the following:

1. As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the Housing Authority to verify income eligibility (24 CFP sections 5.230, 5.609, and 960.259).
2. For both family income examinations and reexaminations, obtain and document in the family file third party verification of: (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 960.59).
3. Determine income eligibility and calculate the tenant's rent payment using the documentation from third party verification in accordance with 24 CFR part 5 subpart F (24 CFR section 5.601 *et seq.*, and 24 CFR sections 960.253, 960.255, and 960.259).

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020**

Section III Federal Awards Findings and Questioned Costs (Continued)

4. Select tenants from the public housing waiting list (see III.N.1. ‘Special Tests and Provisions – Public Housing Waiting List’) (24 CFR sections 960.206 and 960.208).
5. Reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third party verification (24 CFR sections 960.253, 960.257, and 960.259).

HUD-50058, *Family Report (OMB No. 2577-0083)* – The PHA is required to submit this form electronically to HUD each time the PHA completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family. The PHA must also submit the Family Report when a family ends participation in the program or moves out of the PHA’s jurisdiction under portability.

Cause of Condition: Not documenting reexamination of tenant eligibility once every 12 months in the tenant files.

Effect of Condition: Compliance violation and material internal control finding.

Recommendation: The Housing Authority should document in the tenant files the performance of compliance requirements outlined in “criteria” above and perform a reexamination of tenant eligibility once every 12 months.

Client Response: The Housing Authority is in the process of reworking all of its tenant files.

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS**

FINDINGS:

2020-1 Accounts Receivable (Tenants' Rent)

Finding: The Housing Authority had accounts receivable (tenant's rent) of \$33,399 as of 9/30/2020. Continued increase in accounts receivable (tenant's rent) will result in loss of revenue and potential financial hardship.

Corrective Action: The Housing Authority will review its policies regarding this matter and make efforts to collect rent timely in order to reduce accounts receivable (tenant's rent).

Contact Person: Felicia Franklin, Executive Director

Anticipated Completion Date: September 30, 2021

2020-2 Eligibility

Finding: A random sample of 51 tenant files were selected and tested for income eligibility, 3rd party verification, recalculating tenant's rent, selection from waiting list, reexamination once every 12 months, family report, and trace calculated rent to rental registry. 39 of the tenant files were not updated or reexamined within a 12 month period. The other 12 tenant files were new tenants.

Corrective Action The Housing Authority should document in the tenant files the performance of compliance requirements outlined in "criteria" above and perform a reexamination of tenant eligibility once every 12 months. The Housing Authority is in the process of reworking all of its tenant files.

Contact Person: Felicia Franklin, Executive Director

Anticipated Completion Date: September 30, 2021

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA
For the Year Ended September 30, 2020**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Housing Authority of the Town of Mansfield, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended September 30, 2019.

PRIOR YEAR FINDINGS

2019-1 Late Filing Financial Statements with the Legislative Auditor's Office (Resolved)

Condition: The entity did not file its financial statements with the Legislative Auditor's Office within 6 months of its fiscal year end. The entity did receive an extension to file its financial statements from the Legislative Auditor's Office.

Criteria: Governmental entities are required to file their financial statements with the Legislative Auditor's Office within 6 months of year end closing in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable.

Cause of Condition: Books and records not available to be audited.

Effect of Condition: Compliance Violation.

Recommendation: The entity should have its financial statements submitted to the Legislative Auditor's Office within 6 months of its year end closing.

Client Response: The Housing Authority will have its financial statements submitted to the Legislative Auditor's Office within 6 months of its year end closing.

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA
For the Year Ended September 30, 2020**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

PRIOR YEAR FINDINGS (CONTINUED):

2019-2 Cash Management (Resolved)

Condition: The PHA has the following CFP projects in which the PHA has drawn down the funds but not made the disbursement:

| | |
|----------|---------|
| 2009 CFP | \$7,726 |
| 2010 CFP | \$5,835 |
| 2011 CFP | \$781 |
| 2012 CFP | \$9,194 |

Criteria: When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement of those funds. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 USC 6501 *et seq.*) and the Indian Self-Determination Act (23 USC 450), interest earned by local government and Indian tribal government grantees and subgrantees on advances is required to be submitted promptly, but at least quarterly, to the federal agency. Up to \$100 per year may be kept for administrative expenses. Interest earned by non-state non-profit entities on federal fund balances in excess of \$250 is required to be remitted to Department of Health and Human Services, Payment Management System, P.O. Box 6021, Rockville, MD 20852.

Cause of Condition: The PHA not minimizing the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement of those funds.

Potential Effect of Condition: Compliance violation.

Recommendation: The PHA should develop procedures to minimize the time elapsing between the drawdown of CFP funds and the disbursement of those funds.

Client Response: The PHA will develop procedures to minimize the time elapsing between the drawdown of CFP funds and the disbursement of those funds.

2019-3 Maintenance of Tenant Files (Unresolved)

Condition: A random sample of 4 tenant files were selected and were to be tested for income eligibility, 3rd party verification, recalculating tenant's rent, selection from waiting list, reexamination once every 12 months, family report and trace calculated rent to rental registry. Inquiry found none of the tenant files selected had been updated. Inquiry found that none of the tenant file population has been updated.

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA
For the Year Ended September 30, 2020**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Criteria: The PHA must do the following:

1. As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 960.259).
2. For both family income examinations and reexaminations, obtain and document in the family file third-party verification of: (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 960.259).
3. Determine income eligibility and calculate the tenant's rent payment using the documentation from third-party verification in accordance with 24 CFR part 5 subpart F (24 CFR sections 5.601 et seq., and 24 CFR sections 960.253, 960.255, and 960.259).
4. Select tenants from the public housing waiting list (see III.N.1, 'Special Tests and Provisions - Public Housing Waiting List') (24 CFR sections 960.206 and 960.208).
5. Reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification (24 CFR sections 960.253, 960.257, and 960.259).

HUD-50058, Family Report (OMB No. 2577-0083) - The PHA is required to submit this form electronically to HUD each time the PHA completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family. The PHA must also submit the Family Report when a family ends participation in the program or moves out of the PHA's jurisdiction under portability.

Cause of Condition: Not documenting the performance of compliance requirements in the tenant files.

Potential Effect of Condition: Compliance violation.

Recommendation: The PHA should document in the tenant files the compliance requirements outlined in "criteria" above.

Client Response: As a result of a "compliance monitoring review" performed by HUD's New Orleans Field Office, the PHA is in the process of reworking all of its tenant files.

HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA
For the Year Ended September 30, 2020

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS

2019-4 HUD Compliance Monitoring Review Report (Resolved)

Condition: HUD's Office of Public Housing conducted a Compliance Monitoring Review for the fiscal year 2017 of the Mansfield Housing Authority (MHA). The New Orleans Field Office (NOFO) conducted the review July 9 through July 13, 2018. That report includes 16 findings which require corrective action. The report also includes 1 concern. As further detailed in the report, the MHA has areas in which it must improve including:

1. Board oversight and monitoring of the PHA, addressing the obligations of the PHA to meet HUD requirements or deadlines, and conducting the necessary business of the PHA.
2. Developing and updating policies and procedures to eliminate inconsistencies with HUD regulations and ensure policies are Board approved.
3. Maintaining program accounts and records to ensure files have a clear audit trail, documents are complete, secured, and orderly.
4. Public Housing Assessment System (PHAS) – MHA's Public Housing Management Operations Indicator (Occupancy Rate) is low. MHA received 9 points out of 25, Management Operations Indicator (Tenant Accounts Receivable) the agency received zero points.
5. MHA must work towards housing more families to increase its low occupancy rate and submit 50058's to HUD systems.
6. MHA must improve rent collections, over \$24,000 was not collected in fiscal year end 09/30/2017.
7. MHA must ensure procurement actions are completed properly.
8. MHA must adopt an Admissions and Continued Occupancy Policy.
9. MHA must conduct Reexaminations and annual inspections timely.
10. MHA must submit its PHA plan for fiscal year began 10/01/2017.
11. MHA must reduce financial reporting errors.
12. MHA must correct findings cited by Independent Audit.
13. MHA must ensure all policies are Board approved.
14. On June 15, 2015, MHA received a letter from Real Estate Assessment Center (REAC) advising the agency of its Substandard Management Designation in the Public Housing Assessment System (PHAS) for the fiscal year ended 09/30/2015. The agency has not recovered from this designation.

As of the last date of our, (The Vercher Group), field work, May 4, 2020, not all of the findings in that report have been corrected.

Criteria: HUD's Office of Public Housing periodically performs Compliance Monitoring Reviews of agencies, issues findings on non-compliance, weaknesses in internal controls and recommends corrective action to be taken to address the findings.

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA
For the Year Ended September 30, 2020**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Cause of Condition: Deficiencies in compliance and internal controls with program requirements and regulations.

Effect of Condition: Noncompliance with program requirements and regulations.

Recommendation: The PHA should implement the corrective action recommended by the HUD report.

Client Response: The PHA is currently working on implementing the corrective action recommended by the HUD report.

2019-5 HUD Accounts Receivable (Tenants' Rent) (Unresolved)

Condition: The Housing Authority had accounts receivable (tenant's rent) of \$33,997 as of 9/30/2019.

Criteria: Continued increase in accounts receivable (tenant's rent) will result in loss of revenue and potential financial hardship.

Cause of Condition: Not following the accounts receivable policy, including reviewing and collecting outstanding tenant revenue.

Potential Effect of Condition: Financial hardship on the Housing Authority.

Recommendation: The Housing Authority should review accounts receivable (tenant's rent) on a monthly basis and review all policies regarding collections going forward.

Client Response: The Housing Authority will review its policies regarding this matter and make efforts to collect rent timely in order to reduce accounts receivable (tenant's rent).



Financial Data Schedule

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|--|---------------|---|-------------|-------------|
| 111 Cash - Unrestricted | \$1,025,867 | | \$1,025,867 | \$1,025,867 |
| 112 Cash - Restricted - Modernization and Development | | | | |
| 113 Cash - Other Restricted | | | | |
| 114 Cash - Tenant Security Deposits | \$24,944 | | \$24,944 | \$24,944 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | |
| 100 Total Cash | \$1,050,811 | \$0 | \$1,050,811 | \$1,050,811 |
| | | | | |
| 121 Accounts Receivable - PHA Projects | \$0 | | \$0 | \$0 |
| 122 Accounts Receivable - HUD Other Projects | \$96,417 | \$936 | \$97,353 | \$97,353 |
| 124 Accounts Receivable - Other Government | | | | |
| 125 Accounts Receivable - Miscellaneous | | | | |
| 126 Accounts Receivable - Tenants | \$33,399 | | \$33,399 | \$33,399 |
| 126.1 Allowance for Doubtful Accounts -Tenants | -\$3,244 | | -\$3,244 | -\$3,244 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | | |
| 128 Fraud Recovery | | | | |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | | |
| 129 Accrued Interest Receivable | | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$126,572 | \$936 | \$127,508 | \$127,508 |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | | | | |
|---|----------|--|----------|----------|
| | | | | |
| 131 Investments - Unrestricted | \$20,666 | | \$20,666 | \$20,666 |
| 132 Investments - Restricted | | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | | |
| 142 Prepaid Expenses and Other Assets | \$59,650 | | \$59,650 | \$59,650 |
| 143 Inventories | \$38,514 | | \$38,514 | \$38,514 |

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|---|---------------|---|--------------|--------------|
| 143.1 Allowance for Obsolete Inventories | \$0 | | \$0 | \$0 |
| 144 Inter Program Due From | \$936 | | \$936 | \$936 |
| 145 Assets Held for Sale | | | | |
| 150 Total Current Assets | \$1,297,149 | \$936 | \$1,298,085 | \$1,298,085 |
| | | | | |
| 161 Land | \$47,446 | | \$47,446 | \$47,446 |
| 162 Buildings | \$7,551,315 | | \$7,551,315 | \$7,551,315 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$124,658 | | \$124,658 | \$124,658 |
| 164 Furniture, Equipment & Machinery - Administration | \$208,905 | | \$208,905 | \$208,905 |
| 165 Leasehold Improvements | \$654,869 | | \$654,869 | \$654,869 |
| 166 Accumulated Depreciation | -\$7,653,428 | | -\$7,653,428 | -\$7,653,428 |
| 167 Construction in Progress | | | | |
| 168 Infrastructure | | | | |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | | | | |
|---|-------------|-------|-------------|-------------|
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$933,765 | \$0 | \$933,765 | \$933,765 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | | | |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past | | | | |
| 173 Grants Receivable - Non Current | | | | |
| 174 Other Assets | | | | |
| 176 Investments in Joint Ventures | | | | |
| 180 Total Non-Current Assets | \$933,765 | \$0 | \$933,765 | \$933,765 |
| 200 Deferred Outflow of Resources | | | | |
| 290 Total Assets and Deferred Outflow of Resources | \$2,230,914 | \$936 | \$2,231,850 | \$2,231,850 |

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|--|---------------|---|----------|----------|
| 311 Bank Overdraft | | | | |
| 312 Accounts Payable <= 90 Days | \$10,155 | | \$10,155 | \$10,155 |
| 313 Accounts Payable >90 Days Past Due | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | \$12,986 | | \$12,986 | \$12,986 |
| 322 Accrued Compensated Absences - Current Portion | \$6,355 | | \$6,355 | \$6,355 |
| 324 Accrued Contingency Liability | | | | |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | | | | | |
|-----|--|----------|-------|----------|----------|
| 325 | Accrued Interest Payable | | | | |
| 331 | Accounts Payable - HUD PHA Programs | | | | |
| 332 | Account Payable - PHA Projects | | | | |
| 333 | Accounts Payable - Other Government | | | | |
| 341 | Tenant Security Deposits | \$24,944 | | \$24,944 | \$24,944 |
| 342 | Unearned Revenue | \$22,410 | | \$22,410 | \$22,410 |
| 343 | Current Portion of Long-term Debt - Capital | | | | |
| 344 | Current Portion of Long-term Debt - Operating Borrowings | | | | |
| 345 | Other Current Liabilities | \$5,629 | | \$5,629 | \$5,629 |
| 346 | Accrued Liabilities - Other | | | | |
| 347 | Inter Program - Due To | | \$936 | \$936 | \$936 |
| 348 | Loan Liability - Current | | | | |
| 310 | Total Current Liabilities | \$82,479 | \$936 | \$83,415 | \$83,415 |
| | | | | | |
| 351 | Long-term Debt, Net of Current - Capital Projects/Mortgage | | | | |
| 352 | Long-term Debt, Net of Current - Operating Borrowings | \$0 | | \$0 | \$0 |
| 353 | Non-current Liabilities - Other | | | | |
| 354 | Accrued Compensated Absences - Non Current | \$15,974 | | \$15,974 | \$15,974 |
| 355 | Loan Liability - Non Current | | | | |
| 356 | FASB 5 Liabilities | | | | |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|---|---------------|---|-------------|-------------|
| 357 Accrued Pension and OPEB Liabilities | | | | |
| 350 Total Non-Current Liabilities | \$15,974 | \$0 | \$15,974 | \$15,974 |
| | | | | |
| 300 Total Liabilities | \$98,453 | \$936 | \$99,389 | \$99,389 |
| | | | | |
| 400 Deferred Inflow of Resources | \$0 | | \$0 | \$0 |
| | | | | |
| 508.4 Net Investment in Capital Assets | \$933,765 | | \$933,765 | \$933,765 |
| 511.4 Restricted Net Position | \$0 | | \$0 | \$0 |
| 512.4 Unrestricted Net Position | \$1,198,696 | \$0 | \$1,198,696 | \$1,198,696 |
| 513 Total Equity - Net Assets / Position | \$2,132,461 | \$0 | \$2,132,461 | \$2,132,461 |
| | | | | |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - | \$2,230,914 | \$936 | \$2,231,850 | \$2,231,850 |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|---|---------------|---|-----------|-----------|
| 70300 Net Tenant Rental Revenue | \$203,342 | | \$203,342 | \$203,342 |
| 70400 Tenant Revenue - Other | \$27,047 | | \$27,047 | \$27,047 |
| 70500 Total Tenant Revenue | \$230,389 | \$0 | \$230,389 | \$230,389 |
| | | | | |
| 70600 HUD PHA Operating Grants | \$892,722 | \$4,427 | \$897,149 | \$897,149 |
| 70610 Capital Grants | | | | |
| 70710 Management Fee | | | | |
| 70720 Asset Management Fee | | | | |
| 70730 Book Keeping Fee | | | | |
| 70740 Front Line Service Fee | | | | |
| 70750 Other Fees | | | | |
| 70700 Total Fee Revenue | | | | |
| | | | | |
| 70800 Other Government Grants | | | | |
| 71100 Investment Income - Unrestricted | \$224 | | \$224 | \$224 |
| 71200 Mortgage Interest Income | \$0 | | \$0 | \$0 |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | |
| 71310 Cost of Sale of Assets | | | | |
| 71400 Fraud Recovery | | | | |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | | | | |
|--|-------------|---------|-------------|-------------|
| 71500 Other Revenue | \$18,474 | | \$18,474 | \$18,474 |
| 71600 Gain or Loss on Sale of Capital Assets | | | | |
| 72000 Investment Income - Restricted | | | | |
| 70000 Total Revenue | \$1,141,809 | \$4,427 | \$1,146,236 | \$1,146,236 |
| | | | | |
| 91100 Administrative Salaries | \$120,688 | | \$120,688 | \$120,688 |

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|---|---------------|---|-----------|-----------|
| 91200 Auditing Fees | \$10,800 | | \$10,800 | \$10,800 |
| 91300 Management Fee | \$0 | | \$0 | \$0 |
| 91310 Book-keeping Fee | | | | |
| 91400 Advertising and Marketing | | | | |
| 91500 Employee Benefit contributions - Administrative | \$59,745 | | \$59,745 | \$59,745 |
| 91600 Office Expenses | \$13,080 | | \$13,080 | \$13,080 |
| 91700 Legal Expense | | | | |
| 91800 Travel | | | | |
| 91810 Allocated Overhead | | | | |
| 91900 Other | \$37,203 | | \$37,203 | \$37,203 |
| 91000 Total Operating - Administrative | \$241,516 | \$0 | \$241,516 | \$241,516 |
| | | | | |
| 92000 Asset Management Fee | | | | |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | | | | |
|--|----------|---------|----------|----------|
| 92100 Tenant Services - Salaries | | | | |
| 92200 Relocation Costs | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | | |
| 92400 Tenant Services - Other | | \$4,427 | \$4,427 | \$4,427 |
| 92500 Total Tenant Services | \$0 | \$4,427 | \$4,427 | \$4,427 |
| | | | | |
| 93100 Water | \$33,120 | | \$33,120 | \$33,120 |
| 93200 Electricity | \$7,526 | | \$7,526 | \$7,526 |
| 93300 Gas | \$1,682 | | \$1,682 | \$1,682 |
| 93400 Fuel | | | | |
| 93500 Labor | | | | |
| 93600 Sewer | \$17,306 | | \$17,306 | \$17,306 |
| 93700 Employee Benefit Contributions - Utilities | | | | |

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|---|---------------|---|-----------|-----------|
| 93800 Other Utilities Expense | \$58 | | \$58 | \$58 |
| 93000 Total Utilities | \$59,692 | \$0 | \$59,692 | \$59,692 |
| | | | | |
| 94100 Ordinary Maintenance and Operations - Labor | \$103,687 | | \$103,687 | \$103,687 |
| 94200 Ordinary Maintenance and Operations - Materials and | \$69,349 | | \$69,349 | \$69,349 |
| 94300 Ordinary Maintenance and Operations Contracts | \$59,262 | | \$59,262 | \$59,262 |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | | | | |
|---|-----------|-----|-----------|-----------|
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$49,143 | | \$49,143 | \$49,143 |
| 94000 Total Maintenance | \$281,441 | \$0 | \$281,441 | \$281,441 |
| | | | | |
| 95100 Protective Services - Labor | | | | |
| 95200 Protective Services - Other Contract Costs | | | | |
| 95300 Protective Services - Other | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 |
| | | | | |
| 96110 Property Insurance | \$71,408 | | \$71,408 | \$71,408 |
| 96120 Liability Insurance | \$2,754 | | \$2,754 | \$2,754 |
| 96130 Workmen's Compensation | \$16,540 | | \$16,540 | \$16,540 |
| 96140 All Other Insurance | \$8,278 | | \$8,278 | \$8,278 |
| 96100 Total insurance Premiums | \$98,980 | \$0 | \$98,980 | \$98,980 |
| | | | | |
| 96200 Other General Expenses | | | | |
| 96210 Compensated Absences | \$16,263 | | \$16,263 | \$16,263 |
| 96300 Payments in Lieu of Taxes | | | | |
| 96400 Bad debt - Tenant Rents | \$22,522 | | \$22,522 | \$22,522 |
| 96500 Bad debt - Mortgages | | | | |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|---|---------------|---|-----------|-----------|
| 96600 Bad debt - Other | | | | |
| 96800 Severance Expense | | | | |
| 96000 Total Other General Expenses | \$38,785 | \$0 | \$38,785 | \$38,785 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | | |
| 96730 Amortization of Bond Issue Costs | | | | |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$720,414 | \$4,427 | \$724,841 | \$724,841 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$421,395 | \$0 | \$421,395 | \$421,395 |
| 97100 Extraordinary Maintenance | | | | |
| 97200 Casualty Losses - Non-capitalized | | | | |
| 97300 Housing Assistance Payments | | | | |
| 97350 HAP Portability-In | | | | |
| 97400 Depreciation Expense | \$130,627 | | \$130,627 | \$130,627 |
| 97500 Fraud Losses | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | | | | |
|---|------------|---------|------------|------------|
| 97700 Debt Principal Payment - Governmental Funds | | | | |
| 97800 Dwelling Units Rent Expense | | | | |
| 90000 Total Expenses | \$851,041 | \$4,427 | \$855,468 | \$855,468 |
| | | | | |
| 10010 Operating Transfer In | \$493,097 | \$0 | \$493,097 | \$493,097 |
| 10020 Operating transfer Out | -\$493,097 | \$0 | -\$493,097 | -\$493,097 |

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|---|---------------|---|-----------|-----------|
| 10030 Operating Transfers from/to Primary Government | | \$0 | \$0 | \$0 |
| 10040 Operating Transfers from/to Component Unit | | \$0 | \$0 | \$0 |
| 10050 Proceeds from Notes, Loans and Bonds | | | | |
| 10060 Proceeds from Property Sales | | | | |
| 10070 Extraordinary Items, Net Gain/Loss | | \$0 | \$0 | \$0 |
| 10080 Special Items (Net Gain/Loss) | | \$0 | \$0 | \$0 |
| 10091 Inter Project Excess Cash Transfer In | | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | | |
| 10093 Transfers between Program and Project - In | | \$0 | \$0 | \$0 |
| 10094 Transfers between Project and Program - Out | | \$0 | \$0 | \$0 |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 |
| | | | | |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total | \$290,768 | \$0 | \$290,768 | \$290,768 |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | | | | |
|---|-------------|-----|-------------|-------------|
| | | | | |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$1,900,887 | \$0 | \$1,900,887 | \$1,900,887 |
| 11040 Prior Period Adjustments, Equity Transfers and | -\$59,194 | | -\$59,194 | -\$59,194 |
| 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 | | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | | |
| 11170 Administrative Fee Equity | | | | |
| | | | | |
| 11180 Housing Assistance Payments Equity | | | | |

| | Project Total | 14.PHC Public Housing CARES Act Funding | Subtotal | Total |
|--|---------------|---|-------------|-------------|
| 11190 Unit Months Available | 1467 | | 1467 | 1467 |
| 11210 Number of Unit Months Leased | 1261 | | 1261 | 1261 |
| 11270 Excess Cash | \$1,056,472 | | \$1,056,472 | \$1,056,472 |
| 11610 Land Purchases | \$0 | | \$0 | \$0 |
| 11620 Building Purchases | \$0 | | \$0 | \$0 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$0 | | \$0 | \$0 |

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 09/30/2020

| | | | | |
|--|-----|--|-----|-----|
| 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 |