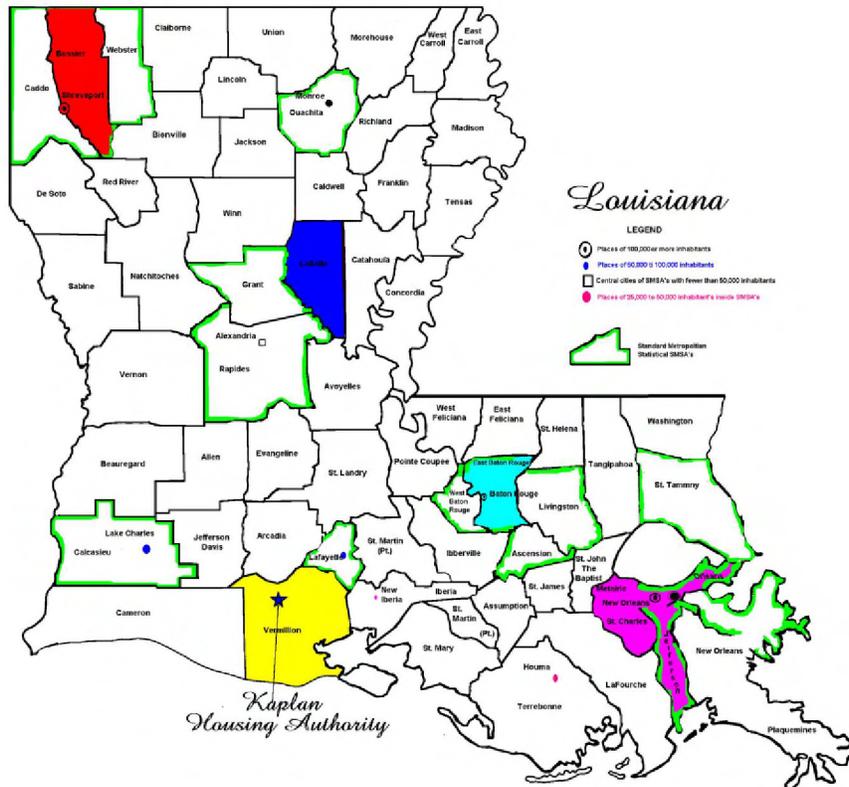


**HOUSING AUTHORITY
OF
TOWN OF KAPLAN, LOUISIANA**

**Financial Statements and
Supplemental Financial Information**

June 30, 2023

HOUSING AUTHORITY OF THE TOWN OF KAPLAN KAPLAN, 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 the Board of Commissioners.

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

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June 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

Housing Authority of the Town of Kaplan
Kaplan, Louisiana

Opinions

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Kaplan, as of and for the year ended June 30, 2023, 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.

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 Kaplan, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the Town of Kaplan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the Town

of Kaplan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Housing Authority of the Town of Kaplan internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the Town of Kaplan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Kaplan's basic financial statements. The accompanying Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements 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 December 12, 2023, on our consideration of the Housing Authority of the Town of Kaplan'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 Kaplan's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated December 12, 2023, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The

purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

The Vercher Group

Jena, Louisiana

December 12, 2023

**Housing Authority of the Town of Kaplan
Management's Discussion and Analysis
June 30, 2023**

As management of the Kaplan Housing Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities to consider the information presented here in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$2,270,997 (net position), which is a \$96,808 decrease from last year.
- As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$430,930, which is a \$58,183 decrease from last year.
- The Authority's cash and investment balance at June 30, 2023, was \$411,952, of which \$15,000 was restricted for tenant's security deposits and \$13,574 was other restricted cash.
- The Authority had total operating revenues of \$506,327, total non-operating revenues of \$21,242 and capital contributions of \$85,720, which is a \$94,703 decrease from last year's revenues.
- The Authority had total operating expenses of \$760,993, and \$0 of non-operating expenses. This amount is a \$37,531 increase from the prior year.
- The Authority had a total change in net position of \$96,808 for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction of the Authority's basic financial statements. The Authority's basic financial statements consist of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows, and the notes to the financial statements.

The Authority has only one fund type, namely a proprietary fund. The Statement of Net Position includes all of the Authority's assets and liabilities. This fund type is used for activities which are financial and operated in a manner similar to those in the private sector.

The authority has two main funding sources in its financial operation. These are the Low Rent Public Housing and Capital Fund Programs. Following is a brief description of each.

Low Rent Public Housing – Under the Conventional Public Housing Program, the housing authority rents units it owns to low-income families. The Conventional Public Housing Program is operated under an Annual Contribution Contract (ACC) with HUD, and 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.

**Housing Authority of the Town of Kaplan
Management's Discussion and Analysis - Continued
June 30, 2023**

Capital Fund Program – The Conventional Public Housing Program also includes the Capital Fund Program, the primary funding source for the authority's physical and management improvements. The formula funding methodology is based on size and age of the authority's units.

The Authority's overall financial position and operations for the year is summarized below based on the information in the current and prior year financial statements. The table below lists the Comparative Statement of Net Position as of June 30, 2023.

Statement of Net Position

| Assets | FYE 2022 | FYE 2023 | % Change |
|----------------------------------|---------------------|---------------------|-----------------|
| Current Assets & Other Assets | \$ 582,942 | \$ 594,322 | 2.0 |
| Capital Assets, Net | 1,878,692 | 1,840,067 | -2.1 |
| Subscription Asset, Net | -0- | 2,402 | 100.0 |
| Total Assets | <u>2,461,634</u> | <u>2,436,791</u> | -1.0 |
| | | | |
| Liabilities | | | |
| Current Liabilities | 84,086 | 149,049 | 77.3 |
| Non-Current Liabilities | 9,743 | 16,745 | 71.9 |
| Total Liabilities | <u>93,829</u> | <u>165,794</u> | 76.7 |
| | | | |
| Net Position | | | |
| Net Investment in Capital Assets | 1,878,692 | 1,840,067 | -2.1 |
| Unrestricted | 489,113 | 430,930 | -11.9 |
| Total Net Position | <u>\$ 2,367,805</u> | <u>\$ 2,270,997</u> | -4.1 |

- Total assets decreased by \$24,843 or 1.0% from last year. The primary reason for this decrease is due to a decrease in other restricted cash, in the amount of \$13,574.
- Total liabilities increased by \$71,965 or 76.7%, mainly due to an increase in unearned revenue in the amount of \$13,861.
- Unrestricted assets decreased by \$58,183 or 11.9%.

**Housing Authority of the Town of Kaplan
Management's Discussion and Analysis - Continued
June 30, 2023**

The table below lists the revenues, expenses, and changes in net position as of June 30, 2022, and June 30, 2023.

Statement of Revenues, Expenses, & Changes in Net Position

| | <u>FYE 2022</u> | <u>FYE 2023</u> | <u>% Change</u> |
|--|---------------------|---------------------|-----------------|
| Operating Revenues | | | |
| Tenant Revenue | \$ 243,483 | \$ 272,588 | 12.0 |
| HUD Operating Grants | 238,774 | 233,739 | -2.1 |
| Total Operating Revenues | <u>482,257</u> | <u>506,327</u> | 5.0 |
| Operating Expenses | | | |
| Administration | 198,053 | 185,552 | -6.3 |
| Operation & Maintenance | 232,060 | 368,150 | 58.6 |
| General Expenses | 122,944 | 21,892 | -82.2 |
| Utilities | 11,167 | 10,218 | -8.5 |
| Tenant Services | 217 | -0- | -100.0 |
| Depreciation | 159,021 | 175,181 | 10.2 |
| Total Operating Expenses | <u>723,462</u> | <u>760,993</u> | 5.2 |
| Operating Income (Loss) | <u>(241,205)</u> | <u>(254,666)</u> | -5.6 |
| Non-Operating Revenues (Expenses) | | | |
| Interest | 3,796 | 3,274 | -13.8 |
| Other Revenue | 5,365 | 17,968 | 234.9 |
| Total Non-Operating Revenues (Expenses) | <u>9,161</u> | <u>21,242</u> | 131.9 |
| Capital Contributions | 216,574 | 85,720 | -60.4 |
| Changes in Net Position | (15,470) | (147,704) | -854.8 |
| Prior Period Adjustment | -0- | 50,896 | 100.0 |
| Beginning Net Position | 2,383,275 | 2,367,805 | -0.6 |
| Ending Net Position | <u>\$ 2,367,805</u> | <u>\$ 2,270,997</u> | -4.1 |

- Total operating revenues increased by \$24,070 or 5.0%. This increase is due to an increase in tenant revenue in the amount of \$29,105.
- Total expenses increased by \$37,531 or 5.2%. This increase is due to an increase in operation and maintenance expense in the amount of \$136,090.

**Housing Authority of the Town of Kaplan
Management's Discussion and Analysis - Continued
June 30, 2023**

Capital Asset & Debt Administration

Capital Assets

As of June 30, 2023, the Authority's investment in capital assets was \$1,840,067 (net of accumulated depreciation). This investment includes land, building improvements, dwelling equipment, and maintenance equipment.

| | <u>2022</u> | <u>2023</u> |
|-------------------------------|---------------------|---------------------|
| Land* | \$ 162,549 | \$ 162,549 |
| Buildings & Improvements | 5,742,461 | 5,742,461 |
| Furniture & Equipment | 45,220 | 45,220 |
| Construction in Progress* | -0- | 135,116 |
| Less Accumulated Depreciation | <u>(4,071,538)</u> | <u>(4,245,279)</u> |
| Capital Assets, Net | \$ 1,878,692 | \$ 1,840,067 |

* Land in the amount of \$162,549 is not being depreciated.

Long Term Debt

The Authority does not have any long-term liabilities at this time.

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 FYE 2024. Therefore, any results of budget shortfalls cannot be determined.

Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following address:

Housing Authority of the Town of Kaplan
PO Box 246
Kaplan, LA 70548

Basic Financial Statements

**Housing Authority of the Town of Kaplan
Kaplan, Louisiana
Statement of Net Position
June 30, 2023**

| ASSETS | ENTERPRISE FUND |
|---|----------------------------|
| CURRENT ASSETS: | |
| Cash & Cash Equivalents | \$ 73,369 |
| Investments | 310,009 |
| Accounts Receivable, Net | 53,627 |
| Inventories, Net | 15,869 |
| Prepaid Items | 112,874 |
| TOTAL CURRENT ASSETS | 565,748 |
| RESTRICTED ASSETS | |
| Cash Tenants' Security Deposits | 15,000 |
| Other Restricted Cash | 13,574 |
| TOTAL RESTRICTED ASSETS | 28,574 |
| NON-CURRENT ASSETS: | |
| Capital Assets (Net of Accumulated Depreciation) | 1,840,067 |
| Subscription Asset (Net of Accumulated Amortization) | 2,402 |
| TOTAL NON-CURRENT ASSETS | 1,842,469 |
| TOTAL ASSETS | 2,436,791 |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Accounts Payable | 5,314 |
| Accrued Wages/Taxes Payable | 7,768 |
| Accrued Compensated Absences | 7,501 |
| Tenant Security Deposits (Payable from Restricted Assets) | 15,000 |
| Unearned Revenue | 65,542 |
| Other Current Liabilities | 47,924 |
| TOTAL CURRENT LIABILITIES | 149,049 |
| NON-CURRENT LIABILITIES | |
| Accrued Compensated Absences | 16,745 |
| TOTAL NON-CURRENT LIABILITIES | 16,745 |
| TOTAL LIABILITIES | 165,794 |
| NET POSITION | |
| Net Investment in Capital Assets | 1,840,067 |
| Unrestricted | 430,930 |
| TOTAL NET POSITION | \$ 2,270,997 |

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Kaplan
Kaplan, Louisiana
Statement of Revenues, Expenses, & Changes in Net Position
Year Ended June 30, 2023**

| | ENTERPRISE FUND |
|---|----------------------------|
| OPERATING REVENUES | |
| Tenant Rental Revenue | \$ 260,013 |
| Tenant Revenue Other | 12,575 |
| HUD PHA Operating Grant | 233,739 |
| TOTAL OPERATING REVENUES | 506,327 |
| OPERATING EXPENSES | |
| <i>Administration:</i> | |
| Administrative Salaries | 96,574 |
| EBC Administrative | 44,520 |
| Other Operating - Administrative | 44,458 |
| Tenant Services | -0- |
| <i>Cost of Sales & Service:</i> | |
| Water | 714 |
| Electricity | 7,124 |
| Gas | 985 |
| Other Utilities | 1,395 |
| Ordinary Maintenance - Labor | 98,885 |
| Materials | 50,453 |
| Contract Cost | 65,914 |
| EBC Maintenance | 33,787 |
| Insurance | 119,111 |
| Bad Debt-Tenant's Rent | 3,079 |
| Compensated Absences | 15,874 |
| Other General | 2,939 |
| <i>Depreciation</i> | 175,181 |
| TOTAL OPERATING EXPENSES | 760,993 |
| OPERATING INCOME (LOSS) | (254,666) |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest Earnings | 3,274 |
| Other Revenue | 17,968 |
| TOTAL NONOPERATING REVENUES (EXPENSES) | 21,242 |
| Capital Contributions | 85,720 |
| CHANGE IN NET POSITION | (147,704) |
| PRIOR PERIOD ADJUSTMENT | 50,896 |
| TOTAL NET POSITION - BEGINNING | 2,367,805 |
| TOTAL NET POSITION - ENDING | \$ 2,270,997 |

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Kaplan
Kaplan, Louisiana
Statement of Cash Flows
Year Ended June 30, 2023**

| | ENTERPRISE FUND |
|---|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from Customers & Users | \$ 272,730 |
| Receipts from Operating Subsidy | 180,864 |
| Payments to Suppliers | (361,593) |
| Payments to Employees | (188,239) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | (96,238) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Other Revenue | 17,968 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | 17,968 |
| CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES | |
| Capital Grants | 85,720 |
| Acquisition & Construction of Capital Assets | (135,116) |
| Prior Period Adjustment | 49,396 |
| Other Asset | (2,402) |
| NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES | (2,402) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest & Dividends Received | 3,274 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 3,274 |
| NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS | (77,398) |
| CASH, BEGINNING OF YEAR | 179,341 |
| CASH, END OF YEAR | 101,943 |
| RECONCILIATION TO BALANCE SHEET | |
| Cash and Cash Equivalents | 73,369 |
| Tenants' Security Deposits | 15,000 |
| Other Restricted Cash | 13,574 |
| TOTAL CASH & CASH EQUIVALENTS | \$ 101,943 |

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Kaplan
Kaplan, Louisiana
Statement of Cash Flows
Year Ended June 30, 2023**

Reconciliation

| | |
|--|----------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | |
| Operating Income (Loss) | \$(254,666) |
| Depreciation Expense | 175,181 |
| (Increase) Decrease in Accounts Receivable, Net | (52,875) |
| (Increase) Decrease in Prepaid Items | (35,321) |
| (Increase) Decrease in Inventories, Net | (673) |
| Increase (Decrease) in Accounts Payable | 2,969 |
| Increase (Decrease) in Accrued Compensated Absences | 5,163 |
| Increase (Decrease) in Accrued Payroll/Taxes Payable | 2,057 |
| Increase (Decrease) in Tenant Security Deposits | 142 |
| Increase (Decrease) in Deferred Revenues | 13,861 |
| Increase (Decrease) in Other Current Liabilities | 47,924 |
| TOTAL ADJUSTMENTS |158,428 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES |(96,238) |
| LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES | |
| Contributions of Capital Assets From Government | \$-0- |

The accompanying notes are an integral part of this statement.

**Notes to the Basic
Financial Statements**

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

INTRODUCTION

The Housing Authority of the Town of Kaplan is an 86-unit apartment complex for persons of low income located in Kaplan, 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 Kaplan, 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 Kaplan, 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, account groups, activities, etc., that are within the oversight responsibility of the Housing Authority.

The Housing Authority is a related organization of the Town of Kaplan because the Town of Kaplan appoints a voting majority of the Housing Authority's governing board. The Town of Kaplan 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 Kaplan. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Town of Kaplan.

BASIS OF PRESENTATION

As required by Louisiana State Reporting Law (LSA-R.S. 24:514) and HUD regulations, financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The accounts of the PHA are accounted for under the proprietary fund. Accordingly, the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units.

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

**Notes to the Basic Financial Statements - (Continued)
June 30, 2023**

Proprietary Fund Type – Proprietary fund is accounted for on the flow of economic resources measurement focuses and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The PHA applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. The PHA’s funds include the following type:

- **Enterprise Fund** – Enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

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 authority.

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.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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 nonoperating 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 nonoperating revenues and expenses.

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

**Notes to the Basic Financial Statements - (Continued)
June 30, 2023**

When both restricted and unrestricted resources are available for use, it is the housing authority's policy to use restricted resources first, then unrestricted resources as they are needed.

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. The 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."

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

**Notes to the Basic Financial Statements - (Continued)
June 30, 2023**

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 uncollectives.

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 both government-wide and fund financial statements.

G. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable columns in the government-wide 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 | 20 years |
| Buildings | 20 years |
| Building Improvements | 10 years |
| Furniture & Fixtures | 5 years |
| Vehicles | 5 years |
| Equipment | 5 years |

H. 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.

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

**Notes to the Basic Financial Statements - (Continued)
June 30, 2023**

I. 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.

J. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

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

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.

At June 30, 2023, the housing authority has cash and investments (bank balances) totaling \$429,860 as follows:

| | | |
|-----------------|----|-----------------------|
| Demand deposits | \$ | 119,850 |
| Time deposits | | <u>310,010</u> |
| Total | \$ | <u><u>429,860</u></u> |

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

**Notes to the Basic Financial Statements - (Continued)
June 30, 2023**

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.

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:

| Description | Vermilion Bank | B1 Bank | Total |
|-------------------------|---------------------------|--------------------|-------------------|
| FDIC (Category 1) | \$ 119,849 | \$ 250,000 | \$ 369,849 |
| Securities (Category 2) | 362,728 | 106,239 | 468,967 |
| Total Securities | \$ 482,577 | \$ 356,239 | \$ 838,816 |

Deposits were fully secured as of June 30, 2023.

For the purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of Kaplan 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.

The following represents Restricted Cash:

| | |
|------------------------------|------------------|
| Tenant Security Deposits | \$ 15,000 |
| Other Restricted Cash | 13,574 |
| Total Restricted Cash | \$ 28,574 |

Other Restricted Cash represents funds designated to be paid by the Presidentially Declared Disaster Grant received during the year.

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

**Notes to the Basic Financial Statements - (Continued)
June 30, 2023**

3. ACCOUNTS RECEIVABLE

The receivables of \$53,627 at June 30, 2023, are as follows:

| | | |
|---------------------------------|-----------|----------------------|
| Accounts Receivable Tenants | \$ | 660 |
| Accounts Receivable Interest | | 491 |
| Accounts Receivable – HUD | | 52,834 |
| Allowance for Doubtful Accounts | | (358) |
| Total | \$ | <u>53,627</u> |

4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--------------------------------------|------------------------------|--------------------|------------------|---------------------------|
| Land* | \$ 162,549 | \$ -0- | \$ -0- | \$ 162,549 |
| Buildings & Leasehold Improvements | 5,742,461 | -0- | -0- | 5,742,461 |
| Furniture & Equipment, Etc. | 45,220 | -0- | -0- | 45,220 |
| Construction in Progress* | <u>-0-</u> | <u>135,116</u> | <u>-0-</u> | <u>135,116</u> |
| Total Capital Assets | <u>5,950,230</u> | <u>135,116</u> | <u>-0-</u> | <u>6,085,346</u> |
| Less Accumulated Depreciation | <u>(4,071,538)</u> | <u>(173,741)</u> | <u>-0-</u> | <u>(4,245,279)</u> |
| Net Capital Assets | <u>\$ 1,878,692</u> | <u>\$ (38,625)</u> | <u>\$ -0-</u> | <u>\$ 1,840,067</u> |

* Land in the amount of \$162,549 is not being depreciated.

5. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The Authority uses subscription-based information technology arrangements (SBITA) for certain information technology cloud software. The software provided allows the Authority to manage their tenant rent calculations and related account balances.

The term for SBITA is for a two-year period at an annual fee of \$2,400. At June 30, 2023, the Authority has a net right-to-use SBITA asset of \$2,402 and a \$1,478 subscription liability.

Cash flow payments for the current fiscal year ended included interest of \$35 and a principal of \$900. The weighted-average discount rate used was 2.5%.

The following table provides a summary of principal and interest requirements for the subscription liability.

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

**Notes to the Basic Financial Statements - (Continued)
June 30, 2023**

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------|------------------|-----------------|-----------------|
| 2024 | \$ 1,478 | \$ 60 | \$ 1,538 |
| 2025 | -0- | -0- | -0- |
| Total | <u>\$ 1,478</u> | <u>\$ 60</u> | <u>\$ 1,538</u> |

The following table provides a summary of subscription asset (net of accumulated amortization) requirements for the subscription liability:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--------------------------------------|------------------------------|------------------|------------------|---------------------------|
| SBITA | \$ -0- | \$ 3,843 | \$ -0- | \$ 3,843 |
| Less Accumulated Amortization | -0- | (1,441) | -0- | (1,441) |
| Net Capital Assets | <u>\$ -0-</u> | <u>\$ 2,402</u> | <u>\$ -0-</u> | <u>\$ 2,402</u> |

6. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$68,507 at June 30, 2023, are as follows:

| | |
|--|------------------|
| Accounts Payable | \$ 5,314 |
| Accrued Wages/Taxes Payable | 7,768 |
| Accrued Compensated Absences (Current Portion) | 7,501 |
| Other Current Liabilities | 47,924 |
| Total | <u>\$ 68,507</u> |

7. RETIREMENT SYSTEMS

The Housing Authority provides benefits for all full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The entity contributes 8.5% of the employee's effective compensation and the employee contributes 6.0%. The housing authority's contributions for each employee (and interest allocated to the employee account) vest at 20% annually for each year of participation. An employee is fully vested after 5 years of participation. The Housing Authority's total payroll for the fiscal year ending June 30, 2023, was \$195,459. The Housing authority's contributions were calculated using the base salary amount of \$167,332. Contributions to the plan were \$24,263 for the year ended June 30, 2023, of which \$14,223 was paid by the Housing Authority and \$10,040 was paid by employees.

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

**Notes to the Basic Financial Statements - (Continued)
June 30, 2023**

8. CONTINGENT LIABILITIES

At June 30, 2023, 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.

9. COMPENSATED ABSENCES

The following is a summary of changes in compensated absences payable at June 30, 2023:

| | | <u>Current</u> | | <u>Noncurrent</u> | | <u>Total</u> |
|-------------------------|-----------|----------------|----|-------------------|----|---------------|
| Beginning of year | \$ | 9,491 | \$ | 9,743 | \$ | 19,234 |
| Additions/(Retirements) | | (1,990) | | 7,002 | | 5,012 |
| End of year | \$ | 7,501 | | 16,745 | | 24,246 |

At June 30, 2023, employees of the PHA have accumulated and vested \$24,246 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at June 30, 2023, was \$7,501 recorded as current obligation and \$16,745 recorded as non-current obligation.

10. PRIOR PERIOD ADJUSTMENT

A prior period in the amount of \$50,896 was made to correct previous year balances which consist of the two following items. An adjustment to bring subscription assets to the current amount in the amount of \$1,500 and an adjustment to correct a coding error in the amount of \$49,396 related to FEMA funds received in the prior year.

11. 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 \$319,459 to the housing authority, which represents approximately 52.1% of the housing authority's revenue for the year.

12. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, December 12, 2023, of the independent auditor's report for potential recognition or disclosure in the financial statements.

**Other Supplemental Statements
& Schedules**

**Housing Authority of the Town of Kaplan
Kaplan, Louisiana
Schedule of Compensation Paid to Board Members
Year Ended June 30, 2023**

| <u>Board Member</u> | <u>Title</u> |
|---------------------|---------------|
| Denny Gaspard | Chairman |
| Don Fontaine | Vice Chairman |
| Tiffany Hardy | Commissioner |
| Marlene Dronet | Commissioner |
| Dana Rudd | Commissioner |

The board members were paid no compensation for their services.

**Housing Authority of the Town of Kaplan
Kaplan, Louisiana
Statement and Certification of Actual Modernization Cost
Annual Contribution Contract**

| | Incomplete Project CFP 2021-501 | Incomplete Project CFP 2022-501 | Incomplete Project CFP 2023-501 | Total |
|---|--|--|--|--------------|
| The Actual Modernization Costs Are As Follows: | | | | |
| 1. Funds Approved | \$ 202,016 | \$ 253,407 | \$ 249,711 | \$ 705,314 |
| Funds Expended | (135,115) | -0- | -0- | (135,115) |
| Excess of Funds Approved | 66,901 | 253,407 | 249,711 | 570,019 |
| 2. Funds Advanced | 135,115 | -0- | -0- | 135,115 |
| Funds Expended | (135,115) | -0- | -0- | (135,115) |
| Excess of Funds Advanced | \$ -0- | \$ -0- | \$ -0- | \$ -0- |

The accompanying notes are an integral part of this statement.

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

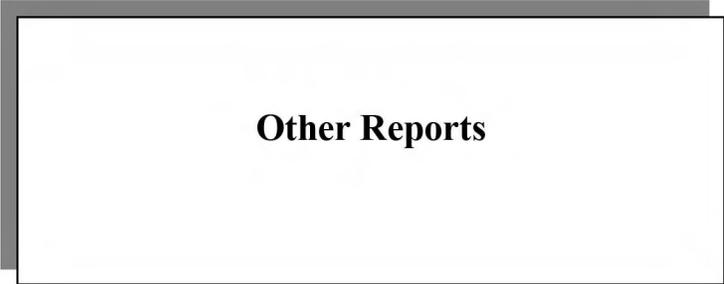
**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2023**

Lacey Guidry, Executive Director

| Purpose | Amount |
|--|-----------|
| Salary | \$ 51,272 |
| Benefits-Insurance | -0- |
| Benefits-Retirement | -0- |
| Benefits (Expense Allowance) | -0- |
| Car Allowance | -0- |
| Vehicle Provided by Government | -0- |
| Per Diem | -0- |
| Reimbursements | 728 |
| Travel | -0- |
| Registration Fees | -0- |
| Conference Travel | 1,618 |
| 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.



Other Reports

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Association of
Certified Fraud Examiners

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 Kaplan
Kaplan, 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 Kaplan, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Kaplan’s basic financial statements, and have issued our report thereon dated December 12, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the Town of Kaplan’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 Kaplan’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Kaplan’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Kaplan'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*.

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

December 12, 2023

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2023**

We have audited the basic financial statements which collectively comprise the Housing Authority of the Town of Kaplan, Louisiana, as of and for the year ended June 30, 2023, and have issued our report thereon dated December 12, 2023. 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 June 30, 2023, 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 (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

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

Yes No

c. Identification of Major Programs:

| CFDA Number (s) | Name of Federal Program (or Cluster) |
|------------------------|---|
|------------------------|---|

Dollar threshold used to distinguish between Type A and Type B Programs:

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2023**

Section II – Financial Statement Findings

No items identified.

Section III – Federal Awards Findings and Questioned Costs.

Not applicable.

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

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

Findings:

No items identified.

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

**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 Kaplan, 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 June 30, 2022.

PRIOR YEAR FINDINGS

No findings to report.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Housing Authority of the Town of Kaplan
PO Box 246
Kaplan, LA 70548

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. The Housing Authority of the Town of Kaplan's management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority of the Town of Kaplan has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

- 1) Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or fiduciary fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, fiduciary fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials and appointed board members, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting requirement.

No exceptions noted in the procedures performed.

Board or Finance Committee

- 2) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum on proprietary funds, semi-annual budget - to-actual, at a minimum on all special revenue funds. Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted in the procedures performed.

Bank Reconciliations

- 3) Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted in the procedures performed.

Collections (excluding EFTs)

- 4) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to

employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or fiduciary fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6) Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted in the procedures performed.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9) For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to

employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- 10) For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- 11) Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

No exceptions noted in the procedures performed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 12) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 13) Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for

excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

b) Observe that finance charges and late fees were not assessed on the selected statements.

14) Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted in the procedures performed.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15) Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in the procedures performed.

Contracts

16) Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in the procedures performed.

Payroll and Personnel

- 17) Obtain a listing of employees/officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 18) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 19) Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 20) Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted in the procedures performed.

Ethics

- 21) Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal year, as applicable.
 - c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R. S. 42:1170.

No exceptions noted in the procedures performed.

Debt Service

- 22) Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
- 23) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted in the procedures performed.

Fraud Notice

- 24) Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
- 25) Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted in the procedures performed.

Information Technology Disaster Recovery/Business Continuity

- 26) Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week, was not stored on the government's server or network, and was encrypted.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have active antivirus software and that the antivirus, operating system, and accounting system software are the most recent versions available (i.e. up-to-date).
- 27) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 18. Observe evidence that the selected terminated employees have been removed from or disabled from the network.

We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

- 28) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
- 29) Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- 30) Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;
and
 - e) Amount of time it took to resolve each complaint.

No exceptions noted in the procedures performed.

We were engaged by the Housing Authority of the Town of Kaplan to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the

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

We are required to be independent of the Housing Authority of the Town of Kaplan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

The Vercher Group

Jena, Louisiana

December 12, 2023

Financial Data Schedule

Housing Authority of Kaplan (LA026)

KAPLAN, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 06/30/2023

| | Project Total | 97.036 Disaster Grants - Presidentially Declared Disasters | Subtotal | Total |
|---|---------------|---|--------------|--------------|
| 111 Cash - Unrestricted | \$73,369 | | \$73,369 | \$73,369 |
| 113 Cash - Other Restricted | \$0 | \$13,574 | \$13,574 | \$13,574 |
| 114 Cash - Tenant Security Deposits | \$15,000 | | \$15,000 | \$15,000 |
| 100 Total Cash | \$88,369 | \$13,574 | \$101,943 | \$101,943 |
| 122 Accounts Receivable - HUD Other Projects | \$52,834 | | \$52,834 | \$52,834 |
| 126 Accounts Receivable - Tenants | \$660 | | \$660 | \$660 |
| 126.1 Allowance for Doubtful Accounts -Tenants | -\$358 | | -\$358 | -\$358 |
| 129 Accrued Interest Receivable | \$491 | | \$491 | \$491 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$53,627 | \$0 | \$53,627 | \$53,627 |
| 131 Investments - Unrestricted | \$310,009 | | \$310,009 | \$310,009 |
| 142 Prepaid Expenses and Other Assets | \$112,874 | | \$112,874 | \$112,874 |
| 143 Inventories | \$17,632 | | \$17,632 | \$17,632 |
| 143.1 Allowance for Obsolete Inventories | -\$1,763 | | -\$1,763 | -\$1,763 |
| 150 Total Current Assets | \$580,748 | \$13,574 | \$594,322 | \$594,322 |
| 161 Land | \$162,549 | | \$162,549 | \$162,549 |
| 162 Buildings | \$5,742,461 | | \$5,742,461 | \$5,742,461 |
| 164 Furniture, Equipment & Machinery - Administration | \$45,220 | | \$45,220 | \$45,220 |
| 166 Accumulated Depreciation | -\$4,245,279 | | -\$4,245,279 | -\$4,245,279 |
| 167 Construction in Progress | \$135,116 | | \$135,116 | \$135,116 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$1,840,067 | \$0 | \$1,840,067 | \$1,840,067 |
| 174 Other Assets | \$2,402 | | \$2,402 | \$2,402 |
| 180 Total Non-Current Assets | \$1,842,469 | \$0 | \$1,842,469 | \$1,842,469 |
| 290 Total Assets and Deferred Outflow of Resources | \$2,423,217 | \$13,574 | \$2,436,791 | \$2,436,791 |
| 312 Accounts Payable <= 90 Days | \$5,314 | | \$5,314 | \$5,314 |
| 321 Accrued Wage/Payroll Taxes Payable | \$7,768 | | \$7,768 | \$7,768 |
| 322 Accrued Compensated Absences - Current Portion | \$7,501 | | \$7,501 | \$7,501 |
| 341 Tenant Security Deposits | \$15,000 | | \$15,000 | \$15,000 |
| 342 Unearned Revenue | \$51,968 | \$13,574 | \$65,542 | \$65,542 |
| 345 Other Current Liabilities | \$47,346 | | \$47,346 | \$47,346 |
| 346 Accrued Liabilities - Other | \$578 | | \$578 | \$578 |
| 310 Total Current Liabilities | \$135,475 | \$13,574 | \$149,049 | \$149,049 |
| 354 Accrued Compensated Absences - Non Current | \$16,745 | | \$16,745 | \$16,745 |
| 350 Total Non-Current Liabilities | \$16,745 | \$0 | \$16,745 | \$16,745 |
| 300 Total Liabilities | \$152,220 | \$13,574 | \$165,794 | \$165,794 |
| 400 Deferred Inflow of Resources | | | | |
| 508.4 Net Investment in Capital Assets | \$1,840,067 | \$0 | \$1,840,067 | \$1,840,067 |
| 512.4 Unrestricted Net Position | \$430,930 | \$0 | \$430,930 | \$430,930 |
| 513 Total Equity - Net Assets / Position | \$2,270,997 | \$0 | \$2,270,997 | \$2,270,997 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$2,423,217 | \$13,574 | \$2,436,791 | \$2,436,791 |

Housing Authority of Kaplan (LA026)
KAPLAN, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit Fiscal Year End: 06/30/2023

| | Project Total | 97.036 Disaster Grants - Presidentially Declared Disasters | Subtotal | Total |
|---|---------------|---|-----------|-----------|
| 70300 Net Tenant Rental Revenue | \$260,013 | | \$260,013 | \$260,013 |
| 70400 Tenant Revenue - Other | \$12,575 | | \$12,575 | \$12,575 |
| 70500 Total Tenant Revenue | \$272,588 | \$0 | \$272,588 | \$272,588 |
| 70600 HUD PHA Operating Grants | \$233,739 | | \$233,739 | \$233,739 |
| 70610 Capital Grants | \$85,720 | | \$85,720 | \$85,720 |
| 71100 Investment Income - Unrestricted | \$3,274 | | \$3,274 | \$3,274 |
| 71500 Other Revenue | \$17,968 | | \$17,968 | \$17,968 |
| 70000 Total Revenue | \$613,289 | \$0 | \$613,289 | \$613,289 |
| 91100 Administrative Salaries | \$96,574 | | \$96,574 | \$96,574 |
| 91200 Auditing Fees | \$8,500 | | \$8,500 | \$8,500 |
| 91400 Advertising and Marketing | \$1,228 | | \$1,228 | \$1,228 |
| 91500 Employee Benefit contributions - Administrative | \$44,520 | | \$44,520 | \$44,520 |
| 91600 Office Expenses | \$18,465 | | \$18,465 | \$18,465 |
| 91800 Travel | \$863 | | \$863 | \$863 |
| 91900 Other | \$15,402 | | \$15,402 | \$15,402 |
| 91000 Total Operating - Administrative | \$185,552 | \$0 | \$185,552 | \$185,552 |
| 93100 Water | \$714 | | \$714 | \$714 |
| 93200 Electricity | \$7,124 | | \$7,124 | \$7,124 |
| 93300 Gas | \$985 | | \$985 | \$985 |
| 93600 Sewer | \$1,393 | | \$1,393 | \$1,393 |
| 93800 Other Utilities Expense | \$2 | | \$2 | \$2 |
| 93000 Total Utilities | \$10,218 | \$0 | \$10,218 | \$10,218 |
| 94100 Ordinary Maintenance and Operations - Labor | \$98,885 | | \$98,885 | \$98,885 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$50,453 | | \$50,453 | \$50,453 |
| 94300 Ordinary Maintenance and Operations Contracts | \$65,914 | | \$65,914 | \$65,914 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$33,787 | | \$33,787 | \$33,787 |
| 94000 Total Maintenance | \$249,039 | \$0 | \$249,039 | \$249,039 |
| 96110 Property Insurance | \$81,541 | | \$81,541 | \$81,541 |
| 96120 Liability Insurance | \$22,648 | | \$22,648 | \$22,648 |
| 96130 Workmen's Compensation | \$5,430 | | \$5,430 | \$5,430 |
| 96140 All Other Insurance | \$9,492 | | \$9,492 | \$9,492 |
| 96100 Total insurance Premiums | \$119,111 | \$0 | \$119,111 | \$119,111 |
| 96200 Other General Expenses | \$2,904 | | \$2,904 | \$2,904 |
| 96210 Compensated Absences | \$15,874 | | \$15,874 | \$15,874 |
| 96400 Bad debt - Tenant Rents | \$3,079 | | \$3,079 | \$3,079 |
| 96000 Total Other General Expenses | \$21,857 | \$0 | \$21,857 | \$21,857 |
| 96720 Interest on Notes Payable (Short and Long Term) | \$35 | | \$35 | \$35 |
| 96700 Total Interest Expense and Amortization Cost | \$35 | \$0 | \$35 | \$35 |

| | | | | |
|---|-------------|-----|-------------|-------------|
| 96900 Total Operating Expenses | \$585,812 | \$0 | \$585,812 | \$585,812 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$27,477 | \$0 | \$27,477 | \$27,477 |
| 97400 Depreciation Expense | \$175,181 | | \$175,181 | \$175,181 |
| 90000 Total Expenses | \$760,993 | \$0 | \$760,993 | \$760,993 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | -\$147,704 | \$0 | -\$147,704 | -\$147,704 |
| 11030 Beginning Equity | \$2,367,805 | \$0 | \$2,367,805 | \$2,367,805 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$50,896 | | \$50,896 | \$50,896 |
| 11190 Unit Months Available | 1032 | 0 | 1032 | 1032 |
| 11210 Number of Unit Months Leased | 981 | 0 | 981 | 981 |
| 11270 Excess Cash | \$267,713 | | \$267,713 | \$267,713 |
| 11610 Land Purchases | \$0 | | \$0 | \$0 |
| 11620 Building Purchases | \$85,720 | | \$85,720 | \$85,720 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$0 | | \$0 | \$0 |
| 11640 Furniture & Equipment - Administrative Purchases | \$0 | | \$0 | \$0 |
| 11650 Leasehold Improvements Purchases | \$0 | | \$0 | \$0 |
| 11660 Infrastructure Purchases | \$0 | | \$0 | \$0 |
| 13510 CFFP Debt Service Payments | \$0 | | \$0 | \$0 |
| 13901 Replacement Housing Factor Funds | \$0 | | \$0 | \$0 |