

**HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
MARKSVILLE, LOUISIANA**

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2023

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

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Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Marksville (Authority), Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Authority'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

My 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 my 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 aggregate, they would influence the judgment 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*, I:

- Exercise professional judgment 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 Authority's 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 my judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

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

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule and the PHA's Statement of Certification of Actual Modernization Cost 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is 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 my opinion, the accompanying Financial Data Schedule, PHA's Statement of Certification of Actual Modernization Cost and the 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*, I have also issued my report dated December 11, 2023, on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

Audit Solutions, LLC.

Chesterfield, Missouri

December 11, 2023

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2023

Introduction

This Management's Discussion and Analysis (MD&A) of the Marksville Housing Authority (Authority) provides an introduction and overview to the financial statements of the Marksville Housing Authority for the fiscal year ended June 30, 2023. The Marksville Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended June 30, 2023, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Marksville Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has two individual programs. They include the Low Rent Public Housing Program and the Capital Fund Program.

The Low Rent Program consists of 168 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.

The Capital Fund Program is also a formula-based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Authority to provide capital improvements for the current dwelling structures and assist in their operations.

Overview of the Financial Statements

This overview of the financial statements is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between the two being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net position is comprised of three individual components:

- *Net Investment in Capital Assets* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets.
- *Restricted* component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through constitutional provisions.
- *Unrestricted* component of net position represents the remaining resources available that does not meet the definition of the above categories. The unrestricted component of net position is basically the amount of resources available for future year appropriations.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)

June 30, 2023

Overview of the Financial Statements – (Continued)

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended June 30, 2023, to determine the change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended June 30, 2023.

Financial Highlights

- The Marksville Housing Authority’s net position increased from \$3,270,639 to \$4,293,189, an increase of \$1,022,550 or 31%. The total assets also increased by \$1,016,520 or 30%.
- Total revenues increased from \$1,248,251 to \$2,383,770, an increase of \$1,135,519 or 91%.
- Total expenses increased by \$205,826, from \$1,088,137 to \$1,293,963 for the current year. This represents an increase of 19%.

Housing Authority Activities & Highlights

The Housing Authority’s overall financial position for the past two years is summarized below based on the information in the current and prior financial statements. The table below provides the asset, liability, and net position (equity) comparisons for the year ended June 30, 2023, and June 30, 2022.

*Summary Statement of Net Position
As of June 30, 2023 and 2022*

<u>Category</u>	6/30/2023	6/30/2022	Change \$	Change %
Current Assets	\$ 2,535,932	\$ 1,454,859	\$ 1,081,073	74%
Fixed Assets (Net of Depreciation)	\$ 1,892,198	\$ 1,956,751	\$ (64,553)	-3%
Total Assets	\$ 4,428,130	\$ 3,411,610	\$ 1,016,520	30%
Current Liabilities	\$ 108,433	\$ 118,146	\$ (9,713)	-8%
Non Current Liabilities	\$ 26,508	\$ 22,825	\$ 3,683	16%
Total Liabilities	\$ 134,941	\$ 140,971	\$ (6,030)	-4%
Unrestricted	\$ 2,403,932	\$ 1,313,888	\$ 1,090,044	83%
Restricted	\$ -	\$ -		
Net Investment in Capital Assets	\$ 1,889,257	\$ 1,956,751	\$ (67,494)	-3%
Total Net Position	\$ 4,293,189	\$ 3,270,639	\$ 1,022,550	31%

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)

June 30, 2023

Housing Authority Activities & Highlights – (Continued)

Current Assets

Current assets increased by \$1,081,073, primarily due to an increase of unrestricted cash in the amount of \$925,670 and accounts receivable by \$121,876. Unrestricted cash and investments increased from \$1,213,260 to \$2,138,930, an increase of \$925,670 from June 30, 2022 to June 30, 2023.

Non-Current Assets

Noncurrent assets decreased by \$64,553. More details are provided in the Capital Assets section in a subsequent paragraph.

Current Liabilities

Current liabilities decreased by \$9,713 or 8% from the previous year. This was due primarily to a decrease in accounts payable in the amount of \$5,735, unearned revenue in the amount of \$2,519 and accrued compensated absences in the amount of \$2,681.

Net Position

The net position of the Authority increased by \$1,022,550 from the previous fiscal year. This is primarily due to drawing of 1406 operating grants.

The Authority's unrestricted component of net position increased from \$1,313,888 to \$2,403,932, an increase of \$1,022,550 or 31% for the current year. The principal reason for the increase is due to drawing of 1406 operating grants. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

The table below summarizes the overall operations for the past two years for the years ending June 30, 2023, and June 30, 2022.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
June 30, 2023

Housing Authority Activities & Highlights – (Continued)

*Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended June 30, 2023 and 2022*

<u>Category</u>	6/30/2023	6/30/2022	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 484,929	\$ 437,985	\$ 46,944	11%
Government Operating Grants	\$ 1,689,832	\$ 552,474	\$ 1,137,358	206%
Capital Grants	\$ -	\$ 155,620	\$ (155,620)	-100%
Other Revenue	\$ 204,948	\$ 98,854	\$ 106,094	107%
Interest Income	\$ 4,061	\$ 3,318	\$ 743	22%
Total Revenue	\$ 2,383,770	\$ 1,248,251	\$ 1,135,519	91%
Expenses:				
Administration	\$ 224,693	\$ 214,616	\$ 10,077	5%
Tenant Services	\$ 190	\$ 2,075	\$ (1,885)	-91%
Utilities	\$ 23,223	\$ 17,357	\$ 5,866	34%
Ordinary Maintenance	\$ 433,015	\$ 388,519	\$ 44,496	11%
Protective Services	\$ 688	\$ 660	\$ 28	N/A
General/Insurance Expense	\$ 326,147	\$ 256,529	\$ 69,618	27%
Nonroutine Maintenance	\$ 65,917	\$ -	\$ 65,917	N/A
Depreciation	\$ 219,146	\$ 208,381	\$ 10,765	5%
Interest Expense	\$ 944	\$ -	\$ 944	N/A
Total Expenses	\$ 1,293,963	\$ 1,088,137	\$ 205,826	19%
Excess (Deficiency) Before Special Item	\$ 1,089,807	\$ 160,114	\$ 929,693	581%
Special Item/Casualty Losses	\$ (67,257)	\$ -	\$ (67,257)	N/A
Change in Net Position	\$ 1,022,550	\$ 160,114	\$ 862,436	539%
Net Position, Beginning of Year	\$ 3,270,639	\$ 3,110,525	\$ 160,114	5%
Net Position, End of Year	\$ 4,293,189	\$ 3,270,639	\$ 1,022,550	31%

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue increased by \$1,135,519 during the current fiscal year. Significant changes noted between the prior and current fiscal years include the following:

- Government operating grants increased by \$1,137,358 or 206% due to PHA drawing the 2019, 2020 and 2021 CFP grants through operations.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)

June 30, 2023

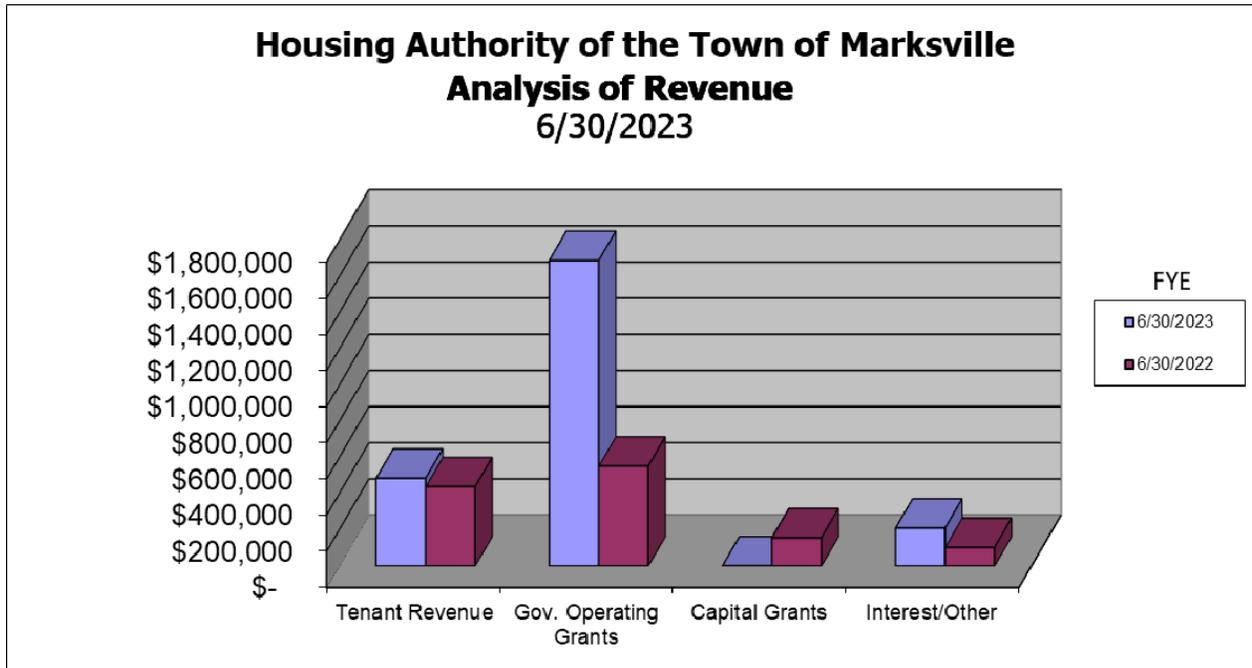
Housing Authority Activities & Highlights – (Continued)

- Tenant revenue increased by \$46,944 or 11% from the previous fiscal year. This is primarily due to the average rent increasing from \$221 in 2022 to \$257 in 2023.
- Other revenue increased by \$106,094 or 107% from the previous year. This was due to a workers comp dividend, insurance proceed received and voided checks from the prior fiscal year.

Total expenses increased by \$205,826 from the previous fiscal year. Significant differences between the years include the following:

- Ordinary maintenance expense increased by \$44,496 or 11%. This was primarily due to an increase in maintenance labor increased by \$21,280, extermination contracts of \$12,713, heating and cooling contracts of \$12,276, and employee benefit contribution of \$10,412.
- Insurance and general expenses increased from \$256,529 to \$326,147 in the current year, a difference of \$69,618 or 27%. This is primarily due to an increase in property insurance by \$32,364, workers compensation by \$13,286, all other insurance by \$20,467, and bad debts by \$21,633, while other general expenses decreased by \$17,813.

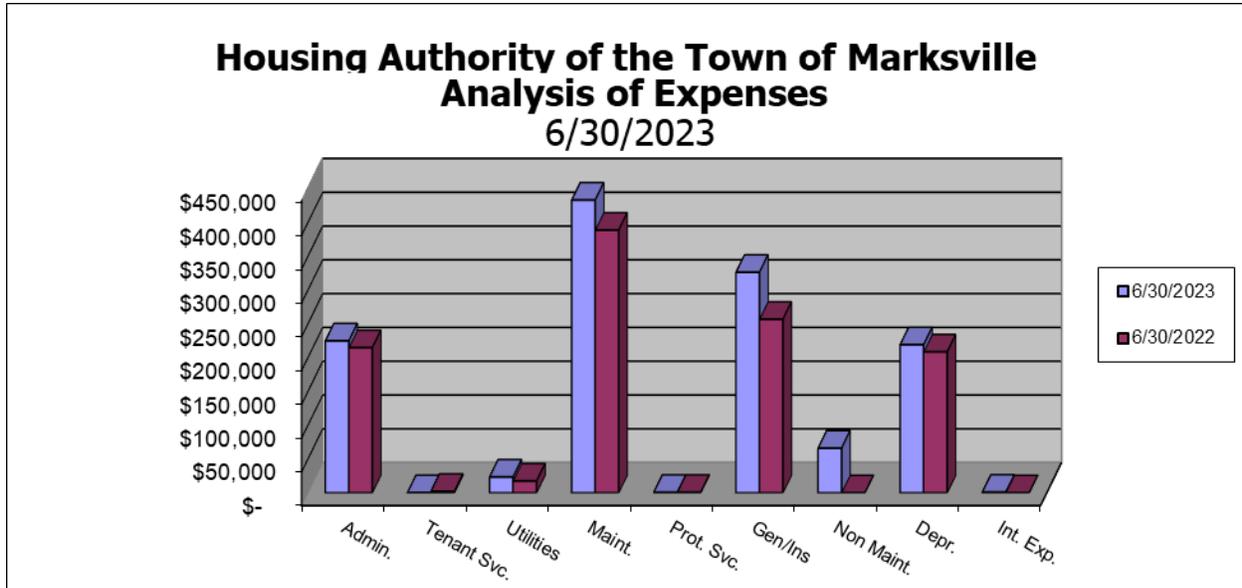
We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:



HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
June 30, 2023

Housing Authority Activities & Highlights – (Continued)



Capital Assets

As of June 30, 2023, the Marksville Housing Authority’s net investment in capital assets was \$1,889,257. This investment includes land, building, equipment, and construction in progress net of accumulated depreciation.

*Summary Statement of Capital Assets
Years Ended June 30, 2023 and 2022*

<u>Category</u>	6/30/2023	6/30/2022	Change \$	Change %
Land	\$ 183,808	\$ 183,808	\$ -	0%
Buildings	\$ 11,912,857	\$ 11,912,857	\$ -	0%
Equipment	\$ 223,779	\$ 193,779	\$ 30,000	15%
Construction in Progress	\$ 121,652	\$ -	\$ 121,652	N/A
Accumulated Depreciation	\$ (10,552,839)	\$ (10,333,693)	\$ (219,146)	2%
Total Net Fixed Assets	\$ 1,889,257	\$ 1,956,751	\$ (67,494)	-3%

The addition to the equipment account is a 2023 vehicle that was funded by operations.

Long Term Debt Liability

The Authority classifies a portion of the employee’s leave as long-term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term was \$26,508, a net increase of \$3,683 from the previous year.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)

June 30, 2023

Subsequent Event

As of the time of this analysis, HUD has not finalized the funding levels for the 2023 calendar year. The operating subsidy for the Low Rent Housing Program is estimated to be funded at 93.03%.

Current Projects that are happening at Marksville Housing Authority are the installation of Metal Roofing and Seamless Gutters for all buildings in inventory. We have an upcoming Grant with the Utility Company to modify all units to be energy efficient by receiving Energy Efficient/Smart Thermostats, cleaning of all HVAC systems externally and internally correcting any deficient duct work while adding blown insulation to meet energy requirements. The Agency will also be correcting all prevalent report deficiencies through RFP's through the Agency's Architect

Marksville Housing Authority has one lawsuit that was filed on September 9th, 2022, that is being handled by Gallagher & Co.

The Marksville Housing Authority has a Louisiana Worker's Compensation Claim from a vehicle accident on September 26th, 2022.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Marksville Housing Authority
Victoria Burise, Executive Director
110 N. Hillside Dr.
Marksville, LA 71351

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF NET POSITION

June 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$	2,138,930
Cash - restricted		34,439
Receivables - net of allowances		164,298
Inventory - net of allowances		2,483
Prepaid expenses		<u>195,782</u>

Total Current Assets 2,535,932

Non-current Assets:

Other assets		2,941
Capital assets:		
Land and construction in progress		305,460
Other capital assets, net of depreciation		<u>1,583,797</u>

Total capital assets - net 1,889,257

Total Non-current Assets 1,892,198

Total Assets \$ 4,428,130

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF NET POSITION - (Continued)

June 30, 2023

LIABILITIES

Current Liabilities:

Accounts payable	\$	30,011
Accrued salaries and benefits		14,042
Tenant security deposit liability		34,439
Accrued compensated absences		16,057
Unearned revenues		<u>13,884</u>

Total Current Liabilities 108,433

Non-current Liabilities:

Compensated absences		<u>26,508</u>
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Total Non-current Liabilities 26,508

Total Liabilities 134,941

NET POSITION

Net investment in capital assets		1,889,257
Unrestricted		<u>2,403,932</u>

Total Net Position 4,293,189

Total Liabilities and Net Position \$ 4,428,130

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023

OPERATING REVENUES	
Tenant revenue	\$ 484,929
Governmental grants and subsidy	1,689,832
Miscellaneous	<u>204,948</u>
Total operating revenue	<u>2,379,709</u>
OPERATING EXPENSES	
Administrative	224,693
Tenant services	190
Utilities	23,223
Ordinary maintenance and operations	433,015
Protective services	688
Insurance	228,685
General	97,462
Non routine maintenance	133,174
Depreciation expense	<u>219,146</u>
Total operating expenses	<u>1,360,276</u>
Operating income (loss)	<u>1,019,433</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	4,061
Interest expense	<u>(944)</u>
Net non-operating revenues (expenses)	<u>3,117</u>
Income (loss) before contributions and transfers	<u>1,022,550</u>
Change in net position	1,022,550
Total net position - beginning of year	<u>3,270,639</u>
Total net position - end of year	<u>\$ 4,293,189</u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from tenants	\$ 441,936
Received from governmental grants and subsidy	1,689,832
Received from other operating activities	75,436
Payments for goods and services	(683,345)
Payments to employees	(424,799)
Payment in lieu of taxes	<u>(22,789)</u>
Net cash provided by (used in) operating activities	<u>1,076,271</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(151,652)
Principal repayments on lease obligations	(2,941)
Interest paid on capital debt	<u>(944)</u>
Net cash provided by (used in) capital and related financing activities	<u>(155,537)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts of interest and dividends	<u>4,061</u>
Net cash provided by (used in) investing activities	<u>4,061</u>
Net increase (decrease) in cash and cash equivalents	924,795
Cash and cash equivalents at beginning of year	<u>1,248,574</u>
Cash and cash equivalents at end of year	\$ <u><u>2,173,369</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF CASH FLOWS – (Continued)
For the Year Ended June 30, 2023

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	\$	1,019,433
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		219,146
Change in assets and liabilities:		
Receivables, net		(121,876)
Inventories, net		2,167
Prepaid expenses		(36,569)
Accounts and other payables		(4,550)
Tenant security deposit		(875)
Unearned revenues		(2,519)
Compensated absences		1,002
Accrued expenses		<u>912</u>
Net cash provided by (used) by operating activities	\$	<u><u>1,076,271</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of the City of Marksville (Authority) is a public body and a body corporate and politic organized under the laws of the State of Louisiana that is legally separate, fiscally independent and governed by a Board of Commissioners. The Authority was established to provide Low-Rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other applicable federal agencies. Additionally, HUD has entered into Annual Contributions Contract with the Authority for the purpose of administering housing and housing relating programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1A. Financial Reporting Entity

The Authority's financial reporting entity comprises the following:

Primary Government: Housing Authority

In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39 and 61, "The Financial Reporting Entity," and includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. On the basis of the application of these criteria, there are no component units which are required to be included in the Authority's financial statements.

1B. Basis of Presentation

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. The operations of each fund are reported as a separate set of self-balancing accounts that are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds consist of three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following fund:

Proprietary Fund Types - This fund is used to account for the Authority's ongoing activities that are similar to those often found in the private sector. The accounting objectives are the determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position. Proprietary fund equity is segregated into net investment in capital assets and restricted and unrestricted net position. The following are the Authority's proprietary fund types:

Enterprise Fund - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1B. Basis of Presentation – (Continued)

The Authority operates the following programs in the enterprise fund:

Public and Indian Housing - The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income individuals.

Public Housing Capital Fund - The purpose of this program is to provide funds annually to housing authorities for the modernization of the housing development and for management improvements.

Business Activities – This program was created to provide management services to the Housing Authority of the City of Jena for a specified amount of fee as stated in the Memorandum of Understanding (MOU). This service was discontinued in FY 2022.

1C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting - In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

1D. Budgets

Budgets are prepared for regulatory purposes in accordance with the Authority’s contract with HUD on an annual basis for all operating programs and on a project length basis for capital projects funds which are approved by the Board of Commissioners and submitted to HUD for their approval, if required.

1E. Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities, and Equity

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2B and 3A.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances consist of miscellaneous and tenants accounts receivable.

Inventories

Inventories are valued at lower of cost or market on an average cost basis. Inventories consist primarily of maintenance materials and supplies held for consumption. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as assets when purchased and expenses when used.

Fixed Assets

Fixed assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. It is the policy of the Authority to capitalize all assets with a cost of \$5,000 or greater. The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations and is recorded in the Statement of Revenues, Expenses and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	10-40 years
Furniture, equipment and machinery - dwelling	5 years
Furniture, equipment and machinery - administrative	3-15 years

Restricted Assets

Restricted assets include cash of the proprietary fund that are legally restricted as to their use. The primary restricted asset is related to the security deposit fund under the Low Rent program.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities, and Equity - (Continued)

Compensated Absences

The Authority’s policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term and short-term liabilities based on historical trends. Amounts not expected to be paid within the next fiscal year are classified as long-term liabilities.

Equity Classifications

Equity is classified as net position and displayed in two components:

- 1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Unrestricted net position - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

1G. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Inter-fund Transfers

Permanent reallocation of resources between programs of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Revenues, Expenses and Changes in Net Position, all inter-fund transfers between individual programs, if any, have been eliminated.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority’s compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2A. Program Accounting Requirements

The Authority's complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

<u>Program</u>	<u>Required By</u>
Public and Indian Housing	U.S. Department of Housing and Urban Development
Public Housing Capital Fund	U.S. Department of Housing and Urban Development
Business Activities	Housing Authority

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2023

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (Continued)

2B. Deposits and Investments Laws and Regulations

It is the Authority’s policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. The Authority must maintain a written collateral agreement from all financial institutions pledging collateral to the Authority. As reflected in Note 3A, all deposits were fully insured or collateralized.

Investing is performed in accordance with HUD regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the U.S. Government pledged by its full faith and credit.
- Demand, savings, money-market and certificates of deposit at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC and any deposits in excess of insured amounts are adequately collateralized.

2C. Revenue Restrictions

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Public Housing Capital Fund	Modernization

For the year ended June 30, 2023, the Authority complied, in all material respects, with these revenue restrictions.

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3A. Cash Deposits and Investments

As of June 30, 2023, the Authority had the following cash deposits and investments:

Cash deposits	\$ 2,173,169
Petty cash	<u>200</u>
Total	<u>\$ 2,173,369</u>

Following is a reconciliation of the Authority’s deposit balances as of June 30, 2023:

Cash and cash equivalents	\$ 2,138,930
Restricted assets	<u>34,439</u>
Total	<u>\$ 2,173,369</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2023

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3A. Cash Deposits and Investments - (Continued)

Deposits

Custodial Credit Risk - Deposits

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2023, the Authority’s bank balances of \$2,190,235 were entirely covered by FDIC insurance or by pledged collateral held by the Authority’s agent bank in the Authority’s name.

Investments

Custodial Credit Risk - Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At June 30, 2023, the Authority had no investments.

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organization. The Authority had no investments at June 30, 2023. As such, credit risk is not applicable to the Authority.

3B. Restricted Assets

Restricted assets at June 30, 2023 consist of the following:

Type of Restricted Assets	Cash Including Time Deposits	Investments	Accrued Interest	Total
Security deposit	\$ <u>34,439</u>	\$ <u>----</u>	\$ <u>----</u>	\$ <u>34,439</u>

3C. Accounts Receivable

Receivables at June 30, 2023 consist of the following:

Tenants	\$ 9,941
Less: Allowance for doubtful account - tenants	<u>(2,971)</u>
Tenants - net of allowance	6,970
Miscellaneous (insurance proceeds)	<u>157,328</u>
Total Accounts Receivable - net of allowance	\$ <u>164,298</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2023

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3D. Inventory

Inventory at June 30, 2023 comprised of the following:

Inventory	\$	2,759
Less: Allowance for obsolete inventory		<u>(276)</u>
Inventory - net of allowance	\$	<u>2,483</u>

3E. Capital Assets

A summary of capital asset activity for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	(Retirement)	Balance June 30, 2023
Non-depreciable assets:				
Land	\$ 183,808	\$ -	\$ -	\$ 183,808
Construction in progress	<u>-</u>	<u>121,652</u>	<u>-</u>	<u>121,652</u>
Total non-depreciable assets	<u>183,808</u>	<u>121,652</u>	<u>-</u>	<u>305,460</u>
Depreciable assets:				
Building	11,912,857	-	-	11,912,857
Equipment - dwelling	78,871	-	-	78,871
Equipment - administration	<u>114,908</u>	<u>30,000</u>	<u>-</u>	<u>144,908</u>
Total depreciable assets	12,106,636	30,000	-	12,136,636
Accumulated depreciation	<u>(10,333,693)</u>	<u>(219,146)</u>	<u>-</u>	<u>(10,552,839)</u>
Total depreciable assets, net	<u>1,772,943</u>	<u>(189,146)</u>	<u>-</u>	<u>1,583,797</u>
Capital assets, net	<u>\$ 1,956,751</u>	<u>\$ (67,494)</u>	<u>\$ -</u>	<u>\$ 1,889,257</u>

Depreciation expense is charged to programs as follows:

	<u>Business-type Activities</u>
Public and Indian Housing	\$ <u>219,146</u>
Total depreciation expense	<u>\$ 219,146</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2023

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3F. Accounts Payable

Accounts payable at June 30, 2023 consist of the following:

Vendors & contractors	\$ 5,907
Accrued utilities	130
Other current liabilities	1,185
PILOT	<u>22,789</u>
Total Accounts Payable	<u>\$ 30,011</u>

3G. Non-current liabilities

Non-current liabilities at June 30, 2023 consist of the following:

Accrued compensated absences	<u>\$ 26,508</u>
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Changes in non-current liabilities

The following is the summary of changes in non-current liabilities:

<u>Description</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2023</u>	<u>Amounts Due within One Year</u>
Accrued compensated absences	\$ 22,825	\$ 3,683	\$ ---	\$ 26,508	\$ 16,057

NOTE 4 – OTHER NOTES

4A. Employee Pension Plan

The Authority provides pension benefits for all of its full-time employees through a Simplified Employee Pension (SEP). A SEP is a written arrangement (a plan) that allows an employer to make deductible contributions for the benefit of participating employees. The contributions are made to individual retirement arrangements (IRAs) set up for participants in the Plan administered by Edward Jones Inc.

An eligible employee is an individual who meets the following requirements:

- * Has attained age 21
- * Perform services during at least three of the immediately preceding five years
- * Has received at least \$600 in compensation in the year

The Housing Authority Board can decide from year to year if a SEP contribution and the amount that will be made to the SEP Plan. The plan requires the Authority to contribute 13% of covered wages.

The following information related to the defined contribution plan at June 30, 2023:

Total payroll	\$ 285,736
Total payroll for eligible participants	\$ 266,731
Employer contributions	\$ 34,675

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2023

NOTE 4 – OTHER NOTES - (Continued)

4B. Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee’s health and life; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The Authority manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>
a. Torts, errors and omissions	Purchased insurance with Arthur J. Gallagher Risk Management Services, Inc.
b. Injuries to employees (workers' compensation)	Purchased insurance with Arthur J. Gallagher Risk Management Services, Inc. Claims are administered by the same company.
c. Physical property loss and natural disasters	Purchased commercial insurance with \$5,000 deductibles.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

4C. Contingencies

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

4D. Commitments - Construction

At June 30, 2023, the Authority had the following pending project in progress. The commitments related to these projects are summarized as follows:

	Funds Approved	Funds Expended - Project to Date
CFP 501-21	\$ 398,596	\$ 396,789

4E. Financial Data Schedule

The Authority prepares its Financial Data Schedule (FDS) in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The FDS format excludes depreciation expense, extraordinary maintenance and casualty losses and includes investment income in operating activities, which differs from the presentation of basic financial statements.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2023

NOTE 4 – OTHER NOTES - (Continued)

4F. Subsequent Events

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the Authority through December 11, 2023, and concluded that no subsequent events have occurred that would require adjustment to or disclosures within these financial statements.

4G. Economic Dependency

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2024 federal budget.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST
June 30, 2023

1. Actual Capital Fund Program costs are as follows:

	<u>501-19</u>
Funds approved	\$ 352,732
Funds expended	<u>352,732</u>
Excess of Funds Approved	<u><u>\$ ---</u></u>
Funds advanced	\$ 352,732
Funds expended	<u>352,732</u>
Excess (deficiency) of Funds Advanced	<u><u>\$ ---</u></u>

2. The costs as shown on the Actual Cost Certificate dated July 5, 2023, submitted to HUD for approval, is in agreement with the Authority's records as of June 30, 2023.
3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST – (Continued)
June 30, 2023

1. Actual Capital Fund Program costs are as follows:

	<u>501-20</u>
Funds approved	\$ 376,226
Funds expended	<u>376,226</u>
Excess of Funds Approved	<u><u>\$ ---</u></u>
Funds advanced	\$ 376,226
Funds expended	<u>376,226</u>
Excess (deficiency) of Funds Advanced	<u><u>\$ ---</u></u>

2. The costs as shown on the Actual Cost Certificate dated July 5, 2023, submitted to HUD for approval, is in agreement with the Authority's records as of June 30, 2023.
3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

<u>Federal Grantor</u>	<u>Assistance Listings Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Public and Indian Housing	14.850	\$ 564,088
Public Housing Capital Fund	14.872	<u>1,125,744</u>
Total Expenditures of Federal Awards		\$ <u>1,689,832</u>

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Housing Authority of the City of Marksville (Authority) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

FINANCIAL DATA SCHEDULE
Year Ended June 30, 2023

	Project Total	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,102,389	\$36,541	\$2,138,930	\$0	\$2,138,930
114 Cash - Tenant Security Deposits	\$34,439		\$34,439	\$0	\$34,439
100 Total Cash	\$2,136,828	\$36,541	\$2,173,369	\$0	\$2,173,369
125 Accounts Receivable - Miscellaneous	\$157,328		\$157,328	\$0	\$157,328
126 Accounts Receivable - Tenants	\$9,941		\$9,941	\$0	\$9,941
126.1 Allowance for Doubtful Accounts -Tenants	-\$2,971		-\$2,971	\$0	-\$2,971
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$164,298	\$0	\$164,298	\$0	\$164,298
142 Prepaid Expenses and Other Assets	\$195,782		\$195,782	\$0	\$195,782
143 Inventories	\$2,759		\$2,759	\$0	\$2,759
143.1 Allowance for Obsolete Inventories	-\$276		-\$276	\$0	-\$276
150 Total Current Assets	\$2,499,391	\$36,541	\$2,535,932	\$0	\$2,535,932
161 Land	\$183,808		\$183,808	\$0	\$183,808
162 Buildings	\$11,912,857		\$11,912,857	\$0	\$11,912,857
163 Furniture, Equipment & Machinery - Dwellings	\$78,871		\$78,871	\$0	\$78,871
164 Furniture, Equipment & Machinery - Admin	\$144,908		\$144,908	\$0	\$144,908
166 Accumulated Depreciation	-\$10,552,839		-\$10,552,839	\$0	-\$10,552,839
167 Construction in Progress	\$121,652		\$121,652	\$0	\$121,652
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,889,257	\$0	\$1,889,257	\$0	\$1,889,257
174 Other Assets	\$2,941		\$2,941	\$0	\$2,941
180 Total Non-Current Assets	\$1,892,198	\$0	\$1,892,198	\$0	\$1,892,198
290 Total Assets and Deferred Outflow of Resources	\$4,391,589	\$36,541	\$4,428,130	\$0	\$4,428,130
312 Accounts Payable <= 90 Days	\$5,907		\$5,907	\$0	\$5,907
321 Accrued Wage/Payroll Taxes Payable	\$14,042		\$14,042	\$0	\$14,042
322 Accrued Compensated Absences - Current	\$16,057		\$16,057	\$0	\$16,057
333 Accounts Payable - Other Government	\$22,789		\$22,789	\$0	\$22,789
341 Tenant Security Deposits	\$34,439		\$34,439	\$0	\$34,439
342 Unearned Revenue	\$13,884		\$13,884	\$0	\$13,884
345 Other Current Liabilities	\$1,185		\$1,185	\$0	\$1,185
346 Accrued Liabilities - Other	\$130		\$130	\$0	\$130
310 Total Current Liabilities	\$108,433	\$0	\$108,433	\$0	\$108,433
354 Accrued Compensated Absences - Non Current	\$26,508		\$26,508	\$0	\$26,508
350 Total Non-Current Liabilities	\$26,508	\$0	\$26,508	\$0	\$26,508
300 Total Liabilities	\$134,941	\$0	\$134,941	\$0	\$134,941
508.4 Net Investment in Capital Assets	\$1,889,257		\$1,889,257		\$1,889,257
512.4 Unrestricted Net Position	\$2,367,391	\$36,541	\$2,403,932		\$2,403,932
513 Total Equity - Net Assets / Position	\$4,256,648	\$36,541	\$4,293,189	\$0	\$4,293,189
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,391,589	\$36,541	\$4,428,130	\$0	\$4,428,130

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2023

	Project Total	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$449,334		\$449,334	\$0	\$449,334
70400 Tenant Revenue - Other	\$35,595		\$35,595	\$0	\$35,595
70500 Total Tenant Revenue	\$484,929	\$0	\$484,929	\$0	\$484,929
70600 HUD PHA Operating Grants	\$1,689,832		\$1,689,832	\$0	\$1,689,832
71100 Investment Income - Unrestricted	\$3,972	\$89	\$4,061	\$0	\$4,061
71400 Fraud Recovery	\$864		\$864	\$0	\$864
71500 Other Revenue	\$204,084		\$204,084	\$0	\$204,084
70000 Total Revenue	\$2,383,681	\$89	\$2,383,770	\$0	\$2,383,770
91100 Administrative Salaries	\$100,355		\$100,355	\$0	\$100,355
91200 Auditing Fees	\$8,743		\$8,743	\$0	\$8,743
91400 Advertising and Marketing	\$326		\$326	\$0	\$326
91500 Employee Benefit contributions - Administrative	\$57,941		\$57,941	\$0	\$57,941
91600 Office Expenses	\$29,802		\$29,802	\$0	\$29,802
91700 Legal Expense	\$7,020		\$7,020	\$0	\$7,020
91800 Travel	\$2,428		\$2,428	\$0	\$2,428
91900 Other	\$18,078		\$18,078	\$0	\$18,078
91000 Total Operating - Administrative	\$224,693	\$0	\$224,693	\$0	\$224,693
92400 Tenant Services - Other	\$190		\$190	\$0	\$190
92500 Total Tenant Services	\$190	\$0	\$190	\$0	\$190
93100 Water	\$1,500		\$1,500	\$0	\$1,500
93200 Electricity	\$18,961		\$18,961	\$0	\$18,961
93300 Gas	\$1,908		\$1,908	\$0	\$1,908
93600 Sewer	\$854		\$854	\$0	\$854
93000 Total Utilities	\$23,223	\$0	\$23,223	\$0	\$23,223
94100 Ordinary Maintenance and Operations - Labor	\$164,885		\$164,885	\$0	\$164,885
94200 Ordinary Maintenance and Operations - Materials and Other	\$59,288		\$59,288	\$0	\$59,288
94300 Ordinary Maintenance and Operations Contracts	\$131,729		\$131,729	\$0	\$131,729
94500 Employee Benefit Contributions - Ordinary Maintenance	\$77,113		\$77,113	\$0	\$77,113
94000 Total Maintenance	\$433,015	\$0	\$433,015	\$0	\$433,015
95300 Protective Services - Other	\$688		\$688	\$0	\$688
95000 Total Protective Services	\$688	\$0	\$688	\$0	\$688
96110 Property Insurance	\$139,379		\$139,379	\$0	\$139,379
96120 Liability Insurance	\$9,577		\$9,577	\$0	\$9,577
96130 Workmen's Compensation	\$17,398		\$17,398	\$0	\$17,398
96140 All Other Insurance	\$62,331		\$62,331	\$0	\$62,331
96100 Total insurance Premiums	\$228,685	\$0	\$228,685	\$0	\$228,685

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2023

	Project Total	1 Business Activities	Subtotal	ELIM	Total
96200 Other General Expenses	\$654		\$654	\$0	\$654
96210 Compensated Absences	\$26,784		\$26,784	\$0	\$26,784
96300 Payments in Lieu of Taxes	\$22,789		\$22,789	\$0	\$22,789
96400 Bad debt - Tenant Rents	\$47,235		\$47,235	\$0	\$47,235
96000 Total Other General Expenses	\$97,462	\$0	\$97,462	\$0	\$97,462
96720 Interest on Notes Payable (Short and Long Term)	\$15		\$15	\$0	\$15
96730 Amortization of Bond Issue Costs	\$929		\$929	\$0	\$929
96700 Total Interest Expense and Amortization Cost	\$944	\$0	\$944	\$0	\$944
96900 Total Operating Expenses	\$1,008,900	\$0	\$1,008,900	\$0	\$1,008,900
97000 Excess of Operating Revenue over Operating Expenses	\$1,374,781	\$89	\$1,374,870	\$0	\$1,374,870
97100 Extraordinary Maintenance	\$65,917		\$65,917	\$0	\$65,917
97200 Casualty Losses - Non-capitalized	\$67,257		\$67,257	\$0	\$67,257
97400 Depreciation Expense	\$219,146		\$219,146	\$0	\$219,146
90000 Total Expenses	\$1,361,220	\$0	\$1,361,220	\$0	\$1,361,220
10010 Operating Transfer In	\$1,125,744		\$1,125,744	-\$1,125,744	\$0
10020 Operating transfer Out	-\$1,125,744		-\$1,125,744	\$1,125,744	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$1,022,461	\$89	\$1,022,550	\$0	\$1,022,550
11030 Beginning Equity	\$3,234,187	\$36,452	\$3,270,639	\$0	\$3,270,639
11190 Unit Months Available	2028		2028	0	2028
11210 Number of Unit Months Leased	2016		2016	0	2016
11270 Excess Cash	\$2,108,618		\$2,108,618		\$2,108,618
11620 Building Purchases	\$121,652		\$121,652		\$121,652
11640 Furniture & Equipment - Administrative Purchases	\$30,000		\$30,000		\$30,000

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR
CHIEF EXECUTIVE DIRECTOR**

Year Ended June 30, 2023

Agency Head Name: Victoria Burise

EXPENDITURE PURPOSE

Salary	\$	84,240
Benefits – Insurance		9,954
Benefits – Retirement		11,158
Benefits (List any other here)		---
Car allowance		---
Vehicle provided by government		---
Per diem		---
Reimbursements		---
Travel		477
Registration fees		350
Conference Travel		336
Continuing professional education fees		---
Housing		---
Unvouchered expenses*		---
Special meals		---
		<hr/>
TOTAL	\$	106,515

* An example of unvouchered expense would be a travel advance

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
Year Ended June 30, 2023

Board members serve without compensation.



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of the Housing Authority of the City of Marksville (Authority) and the Louisiana Legislative Auditor:

I 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 Authority's management is responsible for those C/C areas identified in the SAUPs.

The Authority 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 agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency 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, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - 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) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written Policies and Procedures – (Continued)

- h) ***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).
- 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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to 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 report

Result of Procedures Performed:

Debt service is not applicable since the Authority has no debt. All other written policies were addressed.

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 whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - 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.

Results of Procedures Performed:

- a) The board of commissioners met on a monthly basis.
- b) The minutes included monthly budget-to-actual comparisons.
- c) There was no negative ending unrestricted balance based on the review of prior year audit report.
- d) No findings noted, hence not applicable.

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 selected each 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); and
 - 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.

Results of Procedures Performed:

- a) Bank reconciliations are prepared on a monthly basis.
- b) Management reviewed each bank reconciliation.
- c) There were no outstanding checks over twelve months old.

Collections (excluding electronic funds transfers)

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).

Results of Procedures Performed:

Obtained listing of collections and management representation that the listing is complete.

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 agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Collections (excluding electronic funds transfers) – (Continued)

Results of Procedures Performed:

The Authority does not accept cash and accepts non-cash payment at one centralized location. The Authority's current procedures in place do include adequate segregation of duties for all collection functions.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results of Procedures Performed:

All employees are bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (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)
 - 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 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results of Procedures Performed:

Based on my selection of 10 receipts, they were sequentially pre-numbered. All receipts selected agreed to the deposit slip which were traced to the bank statement. The deposits were made on the day of collection and agreed to the general ledger.

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).

Results of Procedures Performed:

Management represented that the listing is complete.

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.

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

- 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 approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results of Procedures Performed:

- a) For all 25 transactions selected, purchase orders are approved by a person not initiating the purchase.
 - b) All payments to vendors are approved by more than one employee.
 - c) No exceptions noted.
 - d) No exceptions noted.
 - e) No exceptions noted.
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 itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results of Procedures Performed:

- a) For all 25 transactions selected, the disbursement matched the related invoice.
 - b) No exceptions noted.
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 the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements

Results of Procedures Performed:

- a) All electronic disbursement tested were approved by the authorized person.
- b) All electronic disbursement tested were approved by the required number of authorized signers.

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.

Results of Procedures Performed:

Management provided a listing of all cards and management's representation that the list 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:
- 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and.
 - Observe that finance charges and late fees were not assessed on the selected statements.

Results of Procedures Performed:

The Authority has 5 credit/debit/fuel cards. I obtained the highest monthly statements of 2 cards (1/3) and tested it for the following:

- The Executive Director authorized transactions and there is approval in writing by someone other than the user of the card.
 - There were no finance/late fees on the statement.
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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results of Procedures Performed:

I tested the highest month statements for the following:

- Itemized receipt and documentation of the business purpose.
- Compared each transaction with the Authority's written purchasing/disbursement policies and the Louisiana Public Bid Law.
- Documentation of the individuals participating in meals.

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 #1g).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Procedures Performed:

- a) I obtained the Authority's written policies relating to the travel and related expense reimbursements and compared it to the per diem and mileage rates established by the U.S. General Services Administration.
- b) Each expense is supported by documentation stating the purpose and a receipt where applicable.
- c) Compared documentation of the business purposes to the requirements of Article 7, Section 14 of the Louisiana Constitution and found no exceptions.
- d) Each expense was approved by the Board which signs all checks which constitutes approval in writing.

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. 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 and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - 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.

Contracts – (Continued)

Results of Procedures Performed:

- a) All contracts (when required) followed the Louisiana Public Bid Law or procurement code. I reviewed all supporting contracts. The Authority solicited bids on all contracts.
- b) All contracts were approved by the board and documented in the board minutes.
- c) No amendments were noted.
- d) I selected the largest payment from each of the five contracts and compared the invoice to the contract terms.

Payroll and Personnel

17. Obtain a listing of employees and 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.

Results of Procedures Performed:

Management provided a listing of all employees and management's representation that the list is complete. I randomly selected 5 employees and reviewed compensation of each employee during the fiscal period and found the payments were in accordance with the authorized salaries/pay rates in the personnel file.

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, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected 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 agree to the authorized salary/pay rate found within the personnel file.

Results of Procedures Performed:

- a) All selected employees documented their daily attendance and leave.
 - b) Employees had written approval for attendance and leave.
 - c) I observed leave accrued or taken during the pay period is reflected in the entity's cumulative leave records and found no exceptions.
 - d) Wages paid to employees agreed to the authorized pay rate in the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Payroll and Personnel – (Continued)

Results of Procedures Performed:

The Authority had no employees terminated during the fiscal year.

20. Obtain management’s representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers’ compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results of Procedures Performed:

I reviewed forms 941 and the general ledger accrual accounts and found no delinquent payments. The Authority has an outside fee accountant prepare all payroll related reports.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - 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 period, as applicable.

Results of Procedures Performed:

- a) All employees had documentation of ethics compliance.
 - b) No exceptions noted.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results of Procedures Performed:

Inquiry found that the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. 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).

Results of Procedures Performed:

This category is not applicable to the Authority.

Fraud Notice

25. 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 as required by R.S. 24:523.

Results of Procedures Performed:

Inquiry found no reported misappropriation of funds.

26. Observe 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.

Results of Procedures Performed:

The Authority has the notice posted on its premises.

Information Technology Disaster Recovery/Business Continuity

27. 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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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 current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results of Procedures Performed:

- a) The computer files are backed through PCM Technologies on a daily basis.
- b) Inquired with the personnel responsible for testing/verifying backup restoration and found no exceptions.
- c) All computers have antivirus software and are adequately supported by the vendor.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results of Procedures Performed:

There were no terminated employees during FY 2023.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results of Procedures Performed:

The management has provided sexual harassment training documentation to all employees and each employee have completed at least one hour of sexual harassment training during the calendar year.

30. Observe 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).

Results of Procedures Performed:

The policy is posted on the entity’s premises.

31. 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 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.

Results of Procedures Performed:

- a) All employees have completed the training requirements.
- b) None.
- c) None.
- d) N/A
- e) N/A

I was engaged by the Authority to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Authority and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.

Audit Solutions, LLC

Chesterfield, Missouri
December 11, 2023



Audit Solutions, LLC.

Certified Public Accountant

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Marksville (Authority), Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued my report thereon dated December 11, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Authority's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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 distributed by the Louisiana Legislative Auditor's Office as a public document and its distribution is not limited.

Audit Solutions, LLC

Chesterfield, Missouri

December 11, 2023



Audit Solutions, LLC.

Certified Public Accountant

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

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

Report on Compliance for Each Major Federal Program

I have audited the Housing Authority of the City of Marksville (Authority), Louisiana's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the Authority and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on my audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Audit Solutions, LLC

Chesterfield, Missouri

December 11, 2023



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITORS REPORT ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedure described in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Marksville (Authority) and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

I compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of my agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

I was engaged to perform an audit for the Authority as of and for the year ended June 30, 2023 and have issued my reports thereon dated December 11, 2023. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of the audit. Further, my opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated December 11, 2023, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package, which includes the auditor's report, is available in its entirety from the Authority. I have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, I take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report was intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Audit Solutions, LLC

Chesterfield, Missouri
December 11, 2023

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

AGREED UPON PROCEDURES
June 30, 2023

Procedure	UFRS Rule Information	Hard Copy Document(s)	Agrees
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule, all CFDA's	√
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	√
3	Type of opinion to FDS (data element G5100-010)	Auditor's supplemental report on FDS	√
4	Audit findings narratives (data element G5200-010)	Schedule of Findings and Questioned costs	√
5	General Information (data element series G2000, G2100, G2200, G2300, G90000, G9100)	OMB Data Collection Form	√
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	√
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	√
8	Type of compliance requirement (G4000-020 & G4000-030)	OMB Data Collection Form	√
9	Basic financial statements and auditors' reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	√

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
<u>Internal control over financial reporting:</u>	
➤ Material weakness(es) identified?	No
➤ Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

<u>Internal control over major programs:</u>	
➤ Material weakness(es) identified?	No
➤ Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
<u>Identification of Major programs:</u>	
➤ ALN #14.872 Public Housing Capital Fund	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

The current audit report for the year ended June 30, 2023, disclosed no Financial Statement audit findings.

Section III - Federal Award Findings and Questioned Costs

The current audit report for the year ended June 30, 2023, disclosed no Federal Awards audit finding and questioned costs.