

**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, 2021**

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 Financial Statements**

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

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, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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

***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 supplemental information, as described in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information, as described in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental information, as described in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standard***

In accordance with *Government Auditing Standards*, I have also issued my report dated February 28, 2022 on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

***Audit Solutions, LLC.***

Chesterfield, Missouri

February 28, 2022

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
June 30, 2021

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**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, 2021. The Marksville Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended June 30, 2021, 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.

**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, 2021, to determine the change in net position for the fiscal year.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
Marksville, Louisiana

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)**  
June 30, 2021

**Overview of the Financial Statements – (Continued)**

**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 to 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, 2021.

**Financial Highlights**

- The Marksville Housing Authority’s net position increased from \$3,074,793 to \$3,110,525, an increase of \$35,732 or 1%. The total assets also increased by \$48,643 or 2%.
- Total revenues decreased from \$1,248,334 to \$1,183,394, a decrease of \$64,940 or 5%.
- Total expenses increased by \$157,848, from \$989,814 to \$1,147,662 for the current year. This represents an increase of 16%.

**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, 2021, and June 30, 2020.

<u>Category</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 1,307,120	\$ 1,210,270	\$ 96,850	8%
Fixed Assets (Net of Depreciation)	\$ 1,940,564	\$ 1,988,771	\$ (48,207)	-2%
Total Assets	\$ 3,247,684	\$ 3,199,041	\$ 48,643	2%
Current Liabilities	\$ 106,177	\$ 93,415	\$ 12,762	14%
Non Current Liabilities	\$ 30,982	\$ 30,833	\$ 149	0%
Total Liabilities	\$ 137,159	\$ 124,248	\$ 12,911	10%
Unrestricted	\$ 1,169,961	\$ 1,086,022	\$ 83,939	8%
Net Investment in Capital Assets	\$ 1,940,564	\$ 1,988,771	\$ (48,207)	-2%
Total Net Position	\$ 3,110,525	\$ 3,074,793	\$ 35,732	1%

***Current Assets***

Current assets increased by \$96,850. Total cash and investments increased from \$1,104,779 to \$1,169,763, an increase of \$64,984 from June 30, 2020 to June 30, 2021. The primary reason for this increase was a result of operating revenues exceeding operating expenses during the fiscal year.

***Non-Current Assets***

Noncurrent assets decreased by \$48,207 due to the charging of depreciation expense in the current fiscal year. More details are provided in the Capital Assets section in a subsequent paragraph.

***Current Liabilities***

Current liabilities increased by \$12,762 or 14% from the previous year. This was due primarily to an increase in the current portion of accrued compensated absences in the amount of \$2,816 and accounts payable in the amount of \$8,723.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
Marksville, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)**  
June 30, 2021

**Housing Authority Activities & Highlights – (Continued)**

*Net Position*

The net position of the Authority increased by \$35,732 from the previous fiscal year.

The Authority's unrestricted component of net position increased from \$1,086,022 to \$1,169,961, an increase of \$83,939 or 8% for the current year. 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, 2021, and June 30, 2020.

<u>Category</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>Change \$</u>	<u>Change %</u>
<b>Program Revenues:</b>				
Tenant Revenue	\$ 407,974	\$ 440,960	\$ (32,986)	-7%
Government Operating Grants	\$ 570,776	\$ 422,307	\$ 148,469	35%
Capital Grants	\$ 151,213	\$ 276,336	\$ (125,123)	-45%
Other Revenue	\$ 50,496	\$ 106,074	\$ (55,578)	-52%
Interest Income	\$ 2,935	\$ 2,657	\$ 278	10%
Total Revenue	\$ 1,183,394	\$ 1,248,334	\$ (64,940)	-5%
<b>Expenses:</b>				
Administration	\$ 224,952	\$ 221,167	\$ 3,785	2%
Tenant Services	\$ 27,256	\$ 810	\$ 26,446	3265%
Utilities	\$ 17,500	\$ 15,110	\$ 2,390	16%
Ordinary Maintenance	\$ 364,314	\$ 372,343	\$ (8,029)	-2%
Protective Services	\$ 165	\$ -	\$ 165	N/A
General/Insurance Expense	\$ 224,963	\$ 187,212	\$ 37,751	20%
Nonroutine Maintenance	\$ 89,092	\$ 4,760	\$ 84,332	1772%
Depreciation	\$ 199,420	\$ 188,412	\$ 11,008	6%
Total Expenses	\$ 1,147,662	\$ 989,814	\$ 157,848	16%
Change in Net Position	\$ 35,732	\$ 258,520	\$ (222,788)	-86%
Net Position, Beginning of Year	\$ 3,074,793	\$ 2,816,273	\$ 258,520	9%
Net Position, End of Year	\$ 3,110,525	\$ 3,074,793	\$ 35,732	1%

*Results of Operations*

Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue decreased by \$64,940 during the current fiscal year. Significant changes noted between the prior and current fiscal years include:

- Operating grants increased by \$148,469 or 35% from the previous fiscal year. This is primarily the result of an increase in operating subsidy in the amount of \$76,531, along with an increase in Cares funds in the amount of \$63,123.
- Capital grants decreased by \$125,123 due to a decrease in capital activity funded by the Capital Fund Program.
- Other revenue decreased from \$106,074 to \$50,496 in the current year. This was primarily due to insurance proceeds received in the prior year in the amount of \$74,530.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
Marksville, Louisiana

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

June 30, 2021

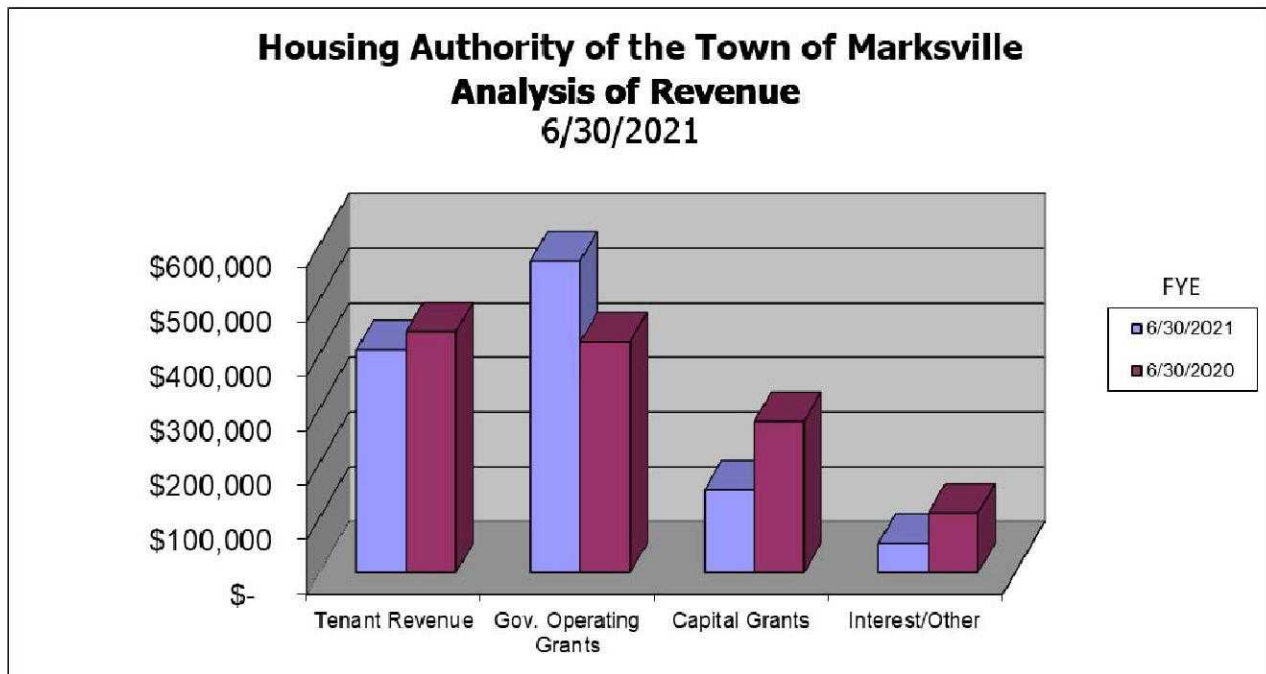
**Housing Authority Activities & Highlights – (Continued)**

*Results of Operations – (Continued)*

Total expenses increased by \$157,848 from the previous fiscal year. Significant differences between the years include:

- Tenant Services increased by \$26,446 from \$810 in the previous year to \$27,256 in the current year. This increase is primarily a result of Cares related expenses.
- General expenses increased from \$187,212 to \$224,963 in the current year, a difference of \$37,751 or 20%. This is primarily a result of an increase in insurance costs in the amount of \$23,309.
- Nonroutine Maintenance increased by \$84,332 from the previous year as result of fire damage incurred during the fiscal year.

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



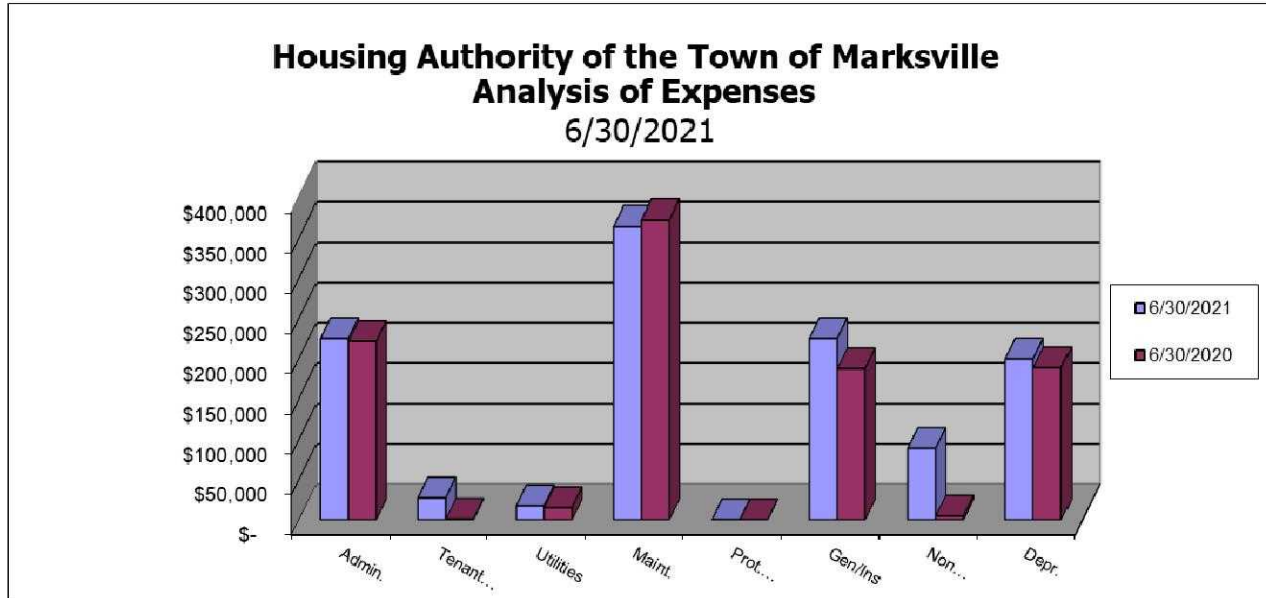


HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
Marksville, Louisiana

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)**  
June 30, 2021

**Housing Authority Activities & Highlights – (Continued)**

*Results of Operations – (Continued)*



**Capital Assets**

As of June 30, 2021, the Marksville Housing Authority’s net investment in capital assets was \$1,940,564. This investment includes land, building, equipment, construction in progress, and net of accumulated depreciation.

<b>Category</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>Change \$</b>	<b>Change %</b>
Land	\$ 183,808	\$ 183,808	\$ -	0%
Buildings	\$ 11,537,076	\$ 11,537,076	\$ -	0%
Equipment	\$ 193,779	\$ 193,779	\$ -	0%
Construction in Progress	\$ 151,213	\$ -	\$ 151,213	N/A
Accumulated Depreciation	\$ (10,125,312)	\$ (9,925,892)	\$ (199,420)	2%
<b>Total Net Fixed Assets</b>	<b>\$ 1,940,564</b>	<b>\$ 1,988,771</b>	<b>\$ (48,207)</b>	<b>-2%</b>

The addition to the construction in progress account is from a bathroom renovation project that is being funded with the 2018 Capital Fund Program Grant.

**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 \$30,982, a net increase of \$149 from the previous year.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
Marksville, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)**  
June 30, 2021

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**Subsequent Event**

HUD has finalized the funding levels for the 2022 calendar year. The operating subsidy for the Low Rent Housing Program is projected to be funded at 95%.

Currently, we are procuring RFQ's for Architectural Firms to include CFP 501-20. With the substantial increase in materials and labor, there may be a need to combine CFP501-19/20, as the ICE for metal roofs and seamless gutters have increased by 38% from the original ICE done pre-pandemic.

In terms of the Inter-Management Contract between Marksville Housing Authority and Jena Housing Authority, it has been completed as of February 28<sup>th</sup>, 2022. The Jena Housing Authority Board of Commissioners appointed a Executive Director, which was effective January 31<sup>st</sup>, 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, 2021

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**ASSETS**

Current Assets:

Cash and cash equivalents	\$	1,136,174
Cash - restricted		33,589
Receivables - net of allowances		10,068
Inventory - net of allowances		3,241
Prepaid expenses		<u>124,048</u>

Total Current Assets 1,307,120

Non-current Assets:

Capital assets:

Land and construction in progress		335,021
Other capital assets, net of depreciation		<u>1,605,543</u>

Total capital assets - net 1,940,564

Total Non-current Assets 1,940,564

Total Assets \$ 3,247,684

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
Marksville, Louisiana

**STATEMENT OF NET POSITION - (Continued)**

June 30, 2021

**LIABILITIES**

Current Liabilities:

Accounts payable	\$	37,599
Accrued salaries and benefits		11,896
Tenant security deposit liability		33,589
Accrued compensated absences		18,000
Unearned revenues		<u>5,093</u>

Total Current Liabilities 106,177

Non-current Liabilities:

Compensated absences		<u>30,982</u>
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Total Non-current Liabilities 30,982

Total Liabilities 137,159

**NET POSITION**

Net investment in capital assets		1,940,564
Unrestricted		<u>1,169,961</u>

Total Net Position 3,110,525

Total Liabilities and Net Position \$ 3,247,684

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, 2021

<b>OPERATING REVENUES</b>	
Tenant revenue	\$ 407,974
Governmental grants and subsidy	570,776
Miscellaneous	<u>50,496</u>
Total operating revenue	<u>1,029,246</u>
<b>OPERATING EXPENSES</b>	
Administrative	224,952
Tenant services	27,256
Utilities	17,500
Ordinary maintenance and operations	364,314
Protective services	165
Insurance	142,746
General	82,217
Non routine maintenance	89,092
Depreciation expense	<u>199,420</u>
Total operating expenses	<u>1,147,662</u>
Operating income (loss)	<u>(118,416)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	<u>2,935</u>
Net non-operating revenues (expenses)	<u>2,935</u>
Income (loss) before contributions and transfers	<u>(115,481)</u>
Capital contributions	<u>151,213</u>
Change in net position	35,732
Total net position - beginning of year	<u>3,074,793</u>
Total net position - end of year	<u>\$ 3,110,525</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, 2021

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from tenants	\$ 387,290
Received from governmental grants and subsidy	563,999
Received from other operating activities	46,587
Payments for goods and services	(472,167)
Payments to employees	(440,871)
Payment in lieu of taxes	<u>(22,789)</u>
Net cash provided by (used in) operating activities	<u>62,049</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from capital contributions	151,213
Purchases of capital assets	<u>(151,213)</u>
Net cash provided by (used in) capital and related financing activities	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Receipts of interest and dividends	<u>2,935</u>
Net cash provided by (used in) investing activities	<u>2,935</u>
Net increase (decrease) in cash and cash equivalents	64,984
Cash and cash equivalents at beginning of year	<u>1,104,779</u>
Cash and cash equivalents at end of year	<u>\$ 1,169,763</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, 2021

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<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>	
Operating income (loss)	\$ (118,416)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	199,420
Change in assets and liabilities:	
Receivables, net	(6,405)
Inventories, net	(2,687)
Prepaid expenses	(22,774)
Accounts and other payables	8,723
Tenant security deposit	221
Unearned revenues	1,007
Compensated absences	2,965
Accrued expenses	<u>(5)</u>
Net cash provided by (used) by operating activities	\$ <u><u>62,049</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, 2021

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**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 a 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  
June 30, 2021

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**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** - 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).

**Public Housing CARES Act** - The CARES Act provides funding to prevent, prepare for, and respond to COVID-19, and to maintain normal operations and take other necessary actions during the period the program is impacted by the pandemic.

**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 require 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  
June 30, 2021

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**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 HUD, tenant accounts, fraud recovery and miscellaneous 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  
June 30, 2021

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**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
Public Housing CARES Act	U.S. Department of Housing and Urban Development

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2021

**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
Public Housing CARES Act	COVID related expenses

For the year ended June 30, 2021, the Authority complied, in all material respects, with these revenue restrictions.

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail 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, 2021, the Authority had the following cash deposits and investments:

Cash deposits	\$ 1,169,563
Petty cash	<u>200</u>
Total	<u>\$ 1,169,763</u>

Following is a reconciliation of the Authority's deposit balances as of June 30, 2021:

Cash and cash equivalents	\$ 1,136,174
Restricted assets	<u>33,589</u>
Total	<u>\$ 1,169,763</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2021

**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, 2021, the Authority's bank balances of \$1,203,174 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, 2021, 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, 2021. As such, credit risk is not applicable to the Authority.

**3B. Restricted Assets**

Restricted assets at June 30, 2021 consist of the following:

<u>Type of Restricted Assets</u>	<u>Cash Including Time Deposits</u>	<u>Investments</u>	<u>Accrued Interest</u>	<u>Total</u>
Security deposit	\$ 33,589	\$ ----	\$ ----	\$ 33,589

**3C. Accounts Receivable**

Receivables at June 30, 2021 consist of the following:

Tenants	\$ 4,175	
Less: Allowance for doubtful account - tenants	(1,664)	\$ 2,511
Fraud recovery	933	
Less: Allowance for doubtful account - fraud	(434)	499
Tenants - net of allowance		3,010
HUD – other projects		6,777
Other – Miscellaneous		281
Total Accounts Receivable		<u>\$ 10,068</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2021

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

**3D. Inventory**

Inventory at June 30, 2021 comprised of the following:

Inventory	\$	3,601
Less: Allowance for obsolete inventory		<u>(360)</u>
Inventory - net of allowance	\$	<u>3,241</u>

**3E. Capital Assets**

A summary of capital asset activity for the year ended June 30, 2021 is as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>(Retirement)</u>	<u>Balance June 30, 2021</u>
<b>Non-depreciable assets:</b>				
Land	\$ 183,808	\$ -	\$ -	\$ 183,808
Construction in progress	<u>-</u>	<u>151,213</u>	<u>-</u>	<u>151,213</u>
<b>Total non-depreciable assets</b>	<u>183,808</u>	<u>151,213</u>	<u>-</u>	<u>335,021</u>
<b>Depreciable assets:</b>				
Building	11,537,076	-	-	11,537,076
Equipment - dwelling	78,871	-	-	78,871
Equipment - administration	<u>114,908</u>	<u>-</u>	<u>-</u>	<u>114,908</u>
<b>Total depreciable assets</b>	11,730,855	-	-	11,730,855
<b>Accumulated depreciation</b>	<u>(9,925,892)</u>	<u>(199,420)</u>	<u>-</u>	<u>(10,125,312)</u>
<b>Total depreciable assets, net</b>	<u>1,804,963</u>	<u>(199,420)</u>	<u>-</u>	<u>1,605,543</u>
<b>Capital assets, net</b>	\$ <u>1,988,771</u>	\$ <u>(48,207)</u>	\$ <u>-</u>	\$ <u>1,940,564</u>

Depreciation expense is charged to programs as follows:

<u>Business-type Activities</u>	
Public and Indian Housing	\$ 197,925
Public Housing Capital Fund	<u>1,495</u>
<b>Total depreciation expense</b>	\$ <u>199,420</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2021

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

**3F. Accounts Payable**

Accounts payable at June 30, 2021 consist of the following:

Vendors & contractors	\$	13,419
Accrued utilities		1,391
PILOT		<u>22,789</u>
 Total Accounts Payable	 \$	 <u>37,599</u>

**3G. Non-current liabilities**

Non-current liabilities at June 30, 2021 consist of the following:

Accrued compensated absences	\$	<u>30,982</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, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>	<u>Amounts Due within One Year</u>
Accrued compensated absences	\$ 30,833	\$ 149	\$ ---	\$ 30,982	\$ 18,000

**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, 2021:

Total payroll	\$	305,757
Total payroll for eligible participants	\$	278,746
Employer contributions	\$	36,237

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2021

**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, 2021, the Authority had pending construction projects in progress. The commitments related to these projects are summarized as follows:

	<u>Funds Approved</u>	<u>Funds Expended - Project to Date</u>
CFP 501-18	\$ 339,877	\$ 182,507
Public Housing – CARES Act	69,348	63,933

**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 and capital contributions in operating activities, which differs from the presentation of basic financial statements.



HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2021

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**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.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

Management evaluated the activity of the Authority through February 28, 2022 and concluded that no additional subsequent events have occurred that would require adjustment to or disclosures within these financial statements except for the one noted above.

**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 2022 federal budget.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
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**FINANCIAL DATA SCHEDULE**  
Year Ended June 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,117,710		\$18,464	\$1,136,174	\$0	\$1,136,174
114 Cash - Tenant Security Deposits	\$33,589			\$33,589	\$0	\$33,589
100 Total Cash	\$1,151,299	\$0	\$18,464	\$1,169,763	\$0	\$1,169,763
122 Accounts Receivable - HUD Other Projects	\$0	\$6,777		\$6,777	\$0	\$6,777
125 Accounts Receivable - Miscellaneous	\$281			\$281	\$0	\$281
126 Accounts Receivable - Tenants	\$4,175			\$4,175	\$0	\$4,175
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,664			-\$1,664	\$0	-\$1,664
128 Fraud Recovery	\$933			\$933	\$0	\$933
128.1 Allowance for Doubtful Accounts - Fraud	-\$434			-\$434	\$0	-\$434
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,291	\$6,777	\$0	\$10,068	\$0	\$10,068
142 Prepaid Expenses and Other Assets	\$123,085		\$963	\$124,048	\$0	\$124,048
143 Inventories	\$3,601			\$3,601	\$0	\$3,601
143.1 Allowance for Obsolete Inventories	-\$360			-\$360	\$0	-\$360
150 Total Current Assets	\$1,280,916	\$6,777	\$19,427	\$1,307,120	\$0	\$1,307,120
161 Land	\$183,808			\$183,808	\$0	\$183,808
162 Buildings	\$11,537,076			\$11,537,076	\$0	\$11,537,076
163 Furniture, Equipment & Machinery - Dwellings	\$78,871			\$78,871	\$0	\$78,871
164 Furniture, Equipment & Machinery - Administration	\$114,908			\$114,908	\$0	\$114,908
166 Accumulated Depreciation	-\$10,125,312			-\$10,125,312	\$0	-\$10,125,312
167 Construction in Progress	\$151,213			\$151,213	\$0	\$151,213
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,940,564	\$0	\$0	\$1,940,564	\$0	\$1,940,564
180 Total Non-Current Assets	\$1,940,564	\$0	\$0	\$1,940,564	\$0	\$1,940,564
290 Total Assets	\$3,221,480	\$6,777	\$19,427	\$3,247,684	\$0	\$3,247,684

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
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**FINANCIAL DATA SCHEDULE - (Continued)**  
Year Ended June 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$6,320	\$6,777	\$322	\$13,419	\$0	\$13,419
321 Accrued Wage/Payroll Taxes Payable	\$11,528		\$368	\$11,896	\$0	\$11,896
322 Accrued Compensated Absences - Current Portion	\$18,000			\$18,000	\$0	\$18,000
333 Accounts Payable - Other Government	\$22,789			\$22,789	\$0	\$22,789
341 Tenant Security Deposits	\$33,589			\$33,589	\$0	\$33,589
342 Unearned Revenue	\$5,093			\$5,093	\$0	\$5,093
346 Accrued Liabilities - Other	\$1,391			\$1,391	\$0	\$1,391
310 Total Current Liabilities	\$98,710	\$6,777	\$690	\$106,177	\$0	\$106,177
354 Accrued Compensated Absences - Non Current	\$30,982			\$30,982	\$0	\$30,982
350 Total Non-Current Liabilities	\$30,982	\$0	\$0	\$30,982	\$0	\$30,982
300 Total Liabilities	\$129,692	\$6,777	\$690	\$137,159	\$0	\$137,159
508.4 Net Investment in Capital Assets	\$1,940,564			\$1,940,564		\$1,940,564
512.4 Unrestricted Net Position	\$1,151,224	\$0	\$18,737	\$1,169,961		\$1,169,961
513 Total Equity - Net Assets / Position	\$3,091,788	\$0	\$18,737	\$3,110,525	\$0	\$3,110,525
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,221,480	\$6,777	\$19,427	\$3,247,684	\$0	\$3,247,684

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**FINANCIAL DATA SCHEDULE - (Continued)**  
Year Ended June 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$379,180			\$379,180	\$0	\$379,180
70400 Tenant Revenue - Other	\$28,794			\$28,794	\$0	\$28,794
70500 Total Tenant Revenue	\$407,974	\$0	\$0	\$407,974	\$0	\$407,974
70600 HUD PHA Operating Grants	\$506,843	\$63,933		\$570,776	\$0	\$570,776
70610 Capital Grants	\$151,213			\$151,213	\$0	\$151,213
71100 Investment Income - Unrestricted	\$2,930		\$5	\$2,935	\$0	\$2,935
71400 Fraud Recovery	\$5,534			\$5,534	\$0	\$5,534
71500 Other Revenue	\$17,462		\$27,500	\$44,962	\$0	\$44,962
70000 Total Revenue	\$1,091,956	\$63,933	\$27,505	\$1,183,394	\$0	\$1,183,394
91100 Administrative Salaries	\$115,452		\$4,557	\$120,009	\$0	\$120,009
91200 Auditing Fees	\$6,980			\$6,980	\$0	\$6,980
91500 Employee Benefit contributions - Administrative	\$52,847		\$1,134	\$53,981	\$0	\$53,981
91600 Office Expenses	\$14,532	\$7,422	\$752	\$22,706	\$0	\$22,706
91800 Travel	\$341			\$341	\$0	\$341
91900 Other	\$19,731	\$324	\$880	\$20,935	\$0	\$20,935
91000 Total Operating - Administrative	\$209,883	\$7,746	\$7,323	\$224,952	\$0	\$224,952
92200 Relocation Costs	\$9,118			\$9,118	\$0	\$9,118
92400 Tenant Services - Other	\$307	\$17,831		\$18,138	\$0	\$18,138
92500 Total Tenant Services	\$9,425	\$17,831	\$0	\$27,256	\$0	\$27,256
93100 Water	\$1,520			\$1,520	\$0	\$1,520
93200 Electricity	\$13,209			\$13,209	\$0	\$13,209
93300 Gas	\$2,118			\$2,118	\$0	\$2,118
93600 Sewer	\$653			\$653	\$0	\$653
93000 Total Utilities	\$17,500	\$0	\$0	\$17,500	\$0	\$17,500
94100 Ordinary Maintenance and Operations - Labor	\$161,745			\$161,745	\$0	\$161,745
94200 Ordinary Maintenance and Operations - Materials and Other	\$28,516	\$24,863		\$53,379	\$0	\$53,379
94300 Ordinary Maintenance and Operations Contracts	\$61,317	\$13,493		\$74,810	\$0	\$74,810
94500 Employee Benefit Contributions - Ordinary Maintenance	\$74,380			\$74,380	\$0	\$74,380
94000 Total Maintenance	\$325,958	\$38,356	\$0	\$364,314	\$0	\$364,314
95300 Protective Services - Other	\$165			\$165	\$0	\$165
95000 Total Protective Services	\$165	\$0	\$0	\$165	\$0	\$165

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
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**FINANCIAL DATA SCHEDULE - (Continued)**  
Year Ended June 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	Subtotal	ELIM	Total
96110 Property Insurance	\$87,550			\$87,550	\$0	\$87,550
96120 Liability Insurance	\$9,824		\$306	\$10,130	\$0	\$10,130
96130 Workmen's Compensation	\$16,259			\$16,259	\$0	\$16,259
96140 All Other Insurance	\$28,792		\$15	\$28,807	\$0	\$28,807
96100 Total insurance Premiums	\$142,425	\$0	\$321	\$142,746	\$0	\$142,746
96200 Other General Expenses	\$688			\$688	\$0	\$688
96210 Compensated Absences	\$31,423		\$1,124	\$32,547	\$0	\$32,547
96300 Payments in Lieu of Taxes	\$22,789			\$22,789	\$0	\$22,789
96400 Bad debt - Tenant Rents	\$26,193			\$26,193	\$0	\$26,193
96000 Total Other General Expenses	\$81,093	\$0	\$1,124	\$82,217	\$0	\$82,217
96900 Total Operating Expenses	\$786,449	\$63,933	\$8,768	\$859,150	\$0	\$859,150
97000 Excess of Operating Revenue over Operating Expenses	\$305,507	\$0	\$18,737	\$324,244	\$0	\$324,244
97100 Extraordinary Maintenance	\$15,250			\$15,250	\$0	\$15,250
97200 Casualty Losses - Non-capitalized	\$73,842			\$73,842	\$0	\$73,842
97400 Depreciation Expense	\$199,420			\$199,420	\$0	\$199,420
90000 Total Expenses	\$1,074,961	\$63,933	\$8,768	\$1,147,662	\$0	\$1,147,662
10010 Operating Transfer In	\$8,868			\$8,868	-\$8,868	\$0
10020 Operating transfer Out	-\$8,868			-\$8,868	\$8,868	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$16,995	\$0	\$18,737	\$35,732	\$0	\$35,732
11030 Beginning Equity	\$3,074,793	\$0	\$0	\$3,074,793	\$0	\$3,074,793
11190 Unit Months Available	1983			1983	0	1983
11210 Number of Unit Months Leased	1978			1978	0	1978
11270 Excess Cash	\$990,343			\$990,343		\$990,343
11620 Building Purchases	\$151,213			\$151,213		\$151,213

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**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR  
CHIEF EXECUTIVE DIRECTOR**  
Year Ended June 30, 2021

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Agency Head Name: Victoria Burise

**EXPENDITURE PURPOSE**

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Salary	\$	84,240
Benefits – Insurance		9,751
Benefits – Retirement		9,933
Benefits (List any other here)		---
Car allowance		---
Vehicle provided by government		---
Per diem		---
Reimbursements		---
Travel		---
Registration fees		---
Conference Travel		---
Continuing professional education fees		---
Housing		---
Unvouchered expenses*		---
Special meals		---
		<hr/>
<b>TOTAL</b>	<b>\$</b>	<b>103,924</b>

\* 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, 2021

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Board members serve without compensation.



# 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 Housing Authority of the City of Marksville (Authority), Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued my report thereon dated February 28, 2022.

### **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.

### **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

February 28, 2022



# 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, 2021 and have issued my reports thereon dated February 28, 2022. 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 February 28, 2022, 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  
February 28, 2022

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
Marksville, Louisiana

**AGREED UPON PROCEDURES**  
June 30, 2021

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<b>Procedure</b>	<b>UFRS Rule Information</b>	<b>Hard Copy Document(s)</b>	<b>Agrees</b>
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	√
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	√
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	√
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	√

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE  
Marksville, Louisiana

**CURRENT FINDINGS, RECOMMENDATIONS AND REPLIES**  
June 30, 2021

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The current audit report for the year ended June 30, 2021 disclosed no audit finding.