

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

**FINANCIAL AND COMPLIANCE
AUDIT TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

For The Year Ended September 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Housing Authority of the City of Winnfield
Winnfield, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business type activities of the Housing Authority of the City of Winnfield (“HACW”), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Winnfield’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the business type activities of HACW as of September 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 HACW’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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- 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 and opinion on the effectiveness of the HACW'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 our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the HACW's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise HACW's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head, statement and certification of Actual Modernization Cost and Financial Date Schedule are presented of additional analysis and are not a required party of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 3, 2023, on our consideration of HACW's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is solely to describe the scope of me testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 HACW's internal control over financial reporting and compliance.

Bruno & Tervalon, LLP
New Orleans, Louisiana
July 3, 2023

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2022

As management of the Housing Authority of the City of Winnfield, we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements, which are attached.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$1,587,563 (net position).
- As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$1,587,563
- The Authority's cash balance at September 30, 2022, was \$12,919 of which \$12,919 is unrestricted.
- The Authority had total revenue of \$875,206 in which \$822,875 was operating revenue, \$52,331 was non-operating revenue.
- The Authority had total expenses of \$383,041, all of which was for operating purposes

Overview of the Basic Financial Statements

The discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of the Statement of Net Position, Statement of Revenue, Expenses & Changes in Net Position, Statement of Cash Flows, and the Notes to the Basic Financial Statements.

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

The Authority has two main funding sources in its financial operation. These are the Low Rent Public Housing and the Capital Fund programs. The Low Rent Program consists of rental 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 purpose of this program is to provide funding for low rent housing programs to allow them to make purchases and capital improvements for the current dwelling structures and assist in their operations. All rental units have been transferred to the Winnfield Housing Partners.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

**MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

The Authority’s overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements.

The table below lists the asset and liability comparisons for the year ended September 30, 2022 and 2021.

<u>Activities</u>	<u>2022</u>	<u>2021</u>
Assets:		
Current assets	\$ 1,633,259	\$ 1,205,469
Non-Current assets	<u>-</u>	<u>1,972,945</u>
Total Assets	<u>1,633,259</u>	<u>3,178,414</u>
Liabilities:		
Current liabilities	45,696	110,071
Noncurrent liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>45,696</u>	<u>110,071</u>
Net Position:		
Unrestricted	<u>1,587,563</u>	<u>3,068,343</u>
Total Net Position	<u>\$ 1,587,563</u>	<u>\$ 3,068,343</u>

- The Authority’s cash and cash equivalents decreased by \$1,092,382.
- Prepaid Items decreased by \$47,489 as of September 30, 2022.
- Current liabilities decreased by \$64,375. The primary source of this decrease is due to the transfer of operations to the Winnfield Development Corporation.
- The Authority’s unrestricted net position decreased by \$1,480,780 for the current year. The decrease is due to the transfer of operations to the Winnfield Housing Partners

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

**MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

The table below lists the revenue and expense comparisons for the year ended September 30, 2022.

Summary of Revenues, Expenses, & Change in Net Position

	<u>2022</u>	<u>2021</u>
Operating Revenues	\$ 875,206	\$ 611,107
Operating Expenses	<u>(383,041)</u>	<u>(836,777)</u>
Operating Income/(Loss)	<u>492,165</u>	<u>(225,670)</u>
Non Operating Revenues	<u>-</u>	<u>57,075</u>
Capital Contributions Transfers In/ (Out)	<u>(1,972,945)</u>	<u>20,040</u>
Change in Net Position	<u>(1,480,780)</u>	<u>(148,555)</u>
Net Position Beginning of year	<u>3,068,343</u>	<u>3,216,898</u>
Net Position end of the Year	<u>\$1,587,563</u>	<u>\$ 3,068,343</u>

- Revenues of the Authority are generated principally from dwelling rents and grant funding from HUD.
- The Authority’s revenues increased by \$21,027 mainly due to an increase in Hud Funding.
- Expenses decreased by \$501,809 due to the operations being transferred to the Winnfield Housing Partners

Capital Asset & Debt Administration

Capital Assets

As of September 30, 2022, the Authority’s investment in capital assets was \$0 This investment included land, building, building improvements, office equipment, and maintenance equipment. All Assets were transferred to the Winnfield Housing Partners

Capital Assets at Year-End

	<u>2021</u>	<u>2022</u>
Capital Assets	\$ 8,853,554	\$ -
Less Accumulated Depreciation	<u>(6,880,609)</u>	<u>-</u>
Total	<u>\$ 1,972,945</u>	<u>\$ -</u>

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2022

Long Term Debt

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

Economic Factors and Next Year's Budget

With the conversion to the RAD program Housing Authority of the City of Winnfield will be dependent on sources from the market place. Housing Authority of the City of Winnfield has no dwelling income since all Assets have been transferred to the Winnfield Housing Partners.

Contacting the Authority's Financial Management

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

Executive Director
Housing Authority of the City of Winnfield
P.O. Box 1413
Winnfield, LA 71483

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

STATEMENT OF NET POSITION-ENTEPRISE FUND

For the Year Ended September 30, 2022

	<u>Enterprise Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 12,919
Investments	-
Receivables:	
HUD	20,340
RAD Conversion	<u>1,600,000</u>
Total Assets	<u>\$ 1,633,259</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	<u>\$ 45,696</u>
Total Liabilities	45,696
Fund Balance	
Restricted	-
Unrestricted	<u>1,587,563</u>
Total Fund Balance	<u>1,587,563</u>
Total Liabilities and Fund Balance	<u>\$ 1,633,259</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2022**

	<u>Enterprise Funds</u>
<u>Revenues:</u>	
Dwelling Rental	\$ 20,650
Government Operating Grants	65,081
Government Capital Grants	737,143
Other Revenue	<u>52,332</u>
Total Operating Revenue	875,206
 <u>Expenditures:</u>	
Administrative Salaries	48,486
Administrative Employee Benefits	4,343
Other Administrative Expense	224,357
Auditing Fees	13,000
Water & Sewer	272
Electricity	3,083
Gas	40
Maintenance Labor	8,829
Materials	27,509
Maintenance Employee Benefit	1,234
Insurance	39,981
Maintenance Cost	8,931
Collection Loss	<u>2,976</u>
Total Operating Expenditures	<u>383,041</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>492,165</u>
 Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	<u>(1,972,945)</u>
Total Other Financing Sources (Uses)	<u>(1,972,945)</u>
 Net Change in Fund Balance	 (1,480,780)
 Fund Balances - Beginning	 <u>3,068,343</u>
 Fund Balances - Ending	 <u>\$ 1,587,563</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

STATEMENT OF CASH FLOWS ENTERPRISE-FUND

For the Year Ended September 30, 2022

Cash Flows Used by Operating Activities:

Government Operating Grants	\$ 67,587
Government Capital Grants	737,143
Dwelling Capital Grants	20,650
Other Revenue	17,066
Payments To Vendors	(320,008)
Payments To Employees and Related Benefits	<u>(14,820)</u>
Net cash used by operation activities	<u>507,618</u>
Cash Flows from Capital and Related Financing Acti	<u>(1,600,000)</u>
Acquisition of capital assets	
Net increase in cash	(1,092,382)
Cash, beginning of year	<u>1,105,301</u>
Cash, end of year	<u>\$ 12,919</u>

The accompanying notes are an integral part of the financial statements.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

STATEMENT OF CASH FLOWS ENTERPRISE-FUND

For the Year Ended September 30, 2022

Reconciliation of Operating Gross to Net Cash Used By	
Operating Activities:	
Operating Gain	\$ 492,165
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Decrease in amounts receivable	31,979
Increase in prepaid items and other	47,849
Increase in amounts and other payable	(4,217)
Decrease in compensated absences payable	(48,264)
Decrease in security deposits held for tenants	(10,066)
Increase in unearned revenues	(1,828)
Net cash used by operating activities	<u>\$ 507,618</u>

The accompanying notes are an integral part of the financial statements.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2022

INTRODUCTION

The Housing Authority of the City of Winnfield is an apartment complex for persons of low income located in Winnfield, Louisiana. The Authority is chartered as a public corporation for the purpose of administering decent, safe and sanitary dwellings for persons of low-income.

Legal title to the Authority is held by the Housing Authority of the City of Winnfield, Louisiana, a non-profit corporation. The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Executive Director of the Housing Authority of the City of Winnfield. Each member serves a four-year term. Substantially all of the Authority's revenue is derived from subsidy contracts with the U. S. Department of Housing and Urban Development (HUD). The annual contributions contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities for eligible individuals.

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

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

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

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended September 30, 2022

NOTE 1-SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POILICIES

BASIC FINANCIAL STATEMENTS

The basic financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the activities of the primary government and its component units. For the most part, the effect of the Inter-fund activity has been removed from these statements. The housing authority uses enterprise funds to account for its activities.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

- The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Like other state and local government, uses fund accounting to ensure and demonstrate compliance with related legal requirements. The Housing Authority has two federally funded and business activity program that are consolidated into a single enterprise fund. The Business activity program stems from the management for a housing program for another government entity.

The housing authority reports the following major proprietary funds:

The Low Rent Fund is the housing authority's primary operating fund. It accounts for all financial resources of the housing authority, except those required to be accounted for in another fund. The fund is used to maintain control over resources that have been segregated for specific objectives. The Low Rent Public Housing program is operated under an Annual Contribution contract with U.S. Department of Housing and Urban development. Hud provides an operating grant to enable Housing Authority of the City of Winnfield to provide housing at a rent that is based upon 30%of adjusted gross household income.

The Capital Project Fund- The Low Rent Housing Program also includes the CFP the primary funding source for physical and management improvements. CFP funding is provided by formula allocation and based upon the size and of the Housing Authority of the City of Winnfield units.

Business Activity Program- Through a cooperative-agreements, Housing Authority of the City of Winnfield manages selected aspects of the Housing Choice Voucher program for a local government.

As a general rule, the effect of Interfund activity has been eliminated from the basic financial

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended September 30, 2022

statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges

between the government's enterprise operations. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Operating revenues and expenses have been reported separately from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The primary operating revenue of the housing authority is derived from tenant revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the housing authority's policy to use restricted resources first, then unrestricted resources as they are needed.

EQUITY CLASSIFICATIONS

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

- Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.
- Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - All other net positions that does not meet the definition of "restricted" or "net investment in capital assets."

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

A. DEPOSITS & INVESTMENTS

The housing authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the housing authority's investment policy allow the housing authority to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the housing authority are

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended September 30, 2022

reported at fair value.

B. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year referred to as either “due to/from other funds” (i.e., the current portion of Interfund loans) or “advances to/from other funds” (i.e., the non-current portion of Interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the accompanying financial statements, are offset by a restriction on net position. All trade and other receivables are shown net of an allowance for non-collectible.

C. INVENTORIES & PREPAID ITEMS

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

D. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable columns in the basic financial statements. Capital assets are capitalized at historical cost. The housing maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Description</u>	<u>Estimated Live</u>
Land Improvements	15-33 years
Buildings & Building Improvements	15-33 years
Furniture & Fixtures	7-5 years
Vehicles	5 years
Equipment	3-5 years

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended September 30, 2022

E. LONG-TERM OBLIGATIONS

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

F. EXTRAORDINARY & SPECIAL ITEMS

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

G. ESTIMATES

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

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

At September 30, 2022, the housing authority has cash and investments (bank balances) totaling \$12,919 as follows:

<u>Demand Deposits</u>	<u>2022</u>
Demand Deposits	<u>\$ 12,919</u>
Total	<u><u>\$ 12,919</u></u>

These deposits are stated at cost, which is approximated market. Under state law, these deposits

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

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended September 30, 2022

Custodial Credit Risk

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

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

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

Deposits

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

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

Amounts on deposit are secured by the following pledges:

Deposits were fully secured as of September 30, 2022.

<u>Description</u>	<u>Market Value</u>
FCDIC Securities	<u>\$ 12,919</u>
Total	<u><u>\$ 12,919</u></u>

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended September 30, 2022

NOTE 3-RECEIVABLES

The Housing Authority had \$1,620,340 in receivables for the year ended September 30, 2022.

Accounts Receivable	2022
Accounts Receivable HUD- Accounts	\$ 20,340
Receivables- Winnfield Housing Partners	1,600,000
Total	<u>\$ 1,620,340</u>

NOTE 4- CAPITAL ASSETS

All fixed assets are stated at cost. The fixed assets are depreciated using the straight-line method of depreciation with lives ranging from 3-33 years. The PHA maintains a threshold level of \$1,000 or more for capitalizing capital assets. Changes in fixed assets are as follows:

	Balance 10/1/2021	Additions	Deletions	Balance 9/30/2022
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 360,222	\$ -	\$ 360,222	\$ -
Other capital assets:				
Buildings	8,251,636	-	8,251,636	-
Furniture and fixtures	241,696	-	241,696	-
Totals	8,853,554	-	8,853,554	-
Less accumulated depreciation:				
Depreciation	(6,880,609)	-	(6,880,609)	-
Total accumulated depreciation	(6,880,609)	-	(6,880,609)	-
Business-type activities:				
Capital assets, net	\$ 2,333,167	\$ -	\$ 2,333,167	\$ -

All land and buildings were encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government. As stated, all assets have been transferred to the Winnfield Housing Partnership.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended September 30, 2022

NOTE 5- ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$45,696 at September 30, 2022, are as follows:

<u>Accounts Payables</u>	<u>2022</u>
Vendors Payables	\$ 25,355
Other Accrued Liabilities	<u>20,341</u>
Total	<u>\$ 45,696</u>

NOTE 6- CHANGES IN COMPENSATED ABSENCES PAYABLES

	<u>2021</u>	<u>2022</u>
Compensated Absence	<u>\$48,264</u>	\$ -
Total	<u>\$48,264</u>	<u>\$ -</u>

On November 4, 2021 all HACW employees were terminated and rehired by Winnfield Development Corporation. This transaction accumulated with the final phase of the Rental Assistance Demonstration program. (RAD) program which seeks to preserve public housing by providing public housing agencies, such as Housing Authority of the city of Winnfield, with access to more stable funding to make needed improvements to properties. RAD provides a way to rehabilitate, or repair units without depending on additional money from the privates.

NOTE 7- CONTINGENT LIABILITIES

At September 30, 2022, the housing authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the housing authority in the current and prior years. These examinations may result in required refunds by the housing authority to federal grantors and/or program beneficiaries.

NOTE 8 - ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities. revenues. The Department of Housing & Urban Development provided \$802,224 to the housing authority, which represents approximately 98% of the housing authority's revenue for the year.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended September 30, 2022

NOTE 9- COMPENSATION PAID TO COMISSIONERS

<u>Board Member</u>	<u>Title</u>		<u>Salary</u>
Donna King	Chairman	\$	-0-
Tina Kelly	Vice-Chairman		-0-
Thaddius Hall	Commissioner		-0-
Gordon Powell	Commissioner		-0-
James Collins	Commissioner	\$	-0-

NOTE 10- RETIREMENT SYSTEMS

The housing authority participates in a single employer defined contribution plan. The housing authority's retirement plan is authorized and may be amended by the Board of Commissioners. Funding for the plan was through a contribution of 3% and 8% by participating employees and the Housing Authority of the City of Winnfield respectively. All Housing Authority employees were terminated on November 4, 2021 and rehired by the Winnfield Development Corporation. Therefore, the entity only had retirement payments for October 21. The payments for participating employees for the period ending September 21 was 4,343 and 1,234.

ECONOMIC FACTORS AND NEXT YEAR BUDGETS

Housing Authority of the Winnfield prepares an annual budget for its proprietary fund, Prior to the beginning of the fiscal year, October 1. The annual budget is approved by the Board of Commissioners. Budgetary amendments require approval by the Board. With the conversion of the RAD program, the Housing Authority of Winnfield will have no rental income for the next fiscal year which they have been dependent on and have transferred the operations to the Winnfield Development Corporation.

NOTE 11- RAD-RENTAL ASSISTANCE DEMONSTRATION PROGRAM-\$1,600,000.

On October 27, 2021, The Housing Authority of the City of Winnfield through an act of credit sale sold its building and improvements to the Winnfield Housing Partners, LLC a Louisiana Limited Liability Company appearing through its managing partner Winnfield Housing Partners Neil Wagner, LLC a Louisiana Limited Liability Company appearing through its manager Winnfield Development Corporation, Inc a Louisiana Nonprofit Corporation. On November 04, 2021 all Winnfield Housing Authority employees were terminated and rehired by the Winnfield Development Corporation.

The City of Winnfield Housing Authority is now a pass-through entity for the Winnfield Housing Partners. The Winnfield Development Corporation is responsible for the day-to-day operation of

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended September 30, 2022

the City of Winnfield Housing Authority. This system will be in place until the RAD conversion is completed. The Winnfield Housing Partners are responsible for the \$1,600,000 RAD Conversion.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

**SCHEDULE OF COMPENSATION BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD
OR CHIEF EXECUTIVE OFFICER
For the Year Ended September 30, 2022**

Mr. Bobby Collins, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-Insurance	-
Benefits-Retirement	-
Benefits	-
Car Allowance	-
Vehicle Provided by Government	-
Per Diem	-
Reimburments	-
Travel	-
Registration Fees	-
Conference Level	-
Continuing Professional Education Fees	-
Housing	-
Total Salary and Benefit	<u>\$ -</u>

See Independent Auditors' Report.

HOUSING AUTHORITY OF THE TOWN OF WINNFIELD

**STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
For the Year Ended September 30, 2022**

	Complete CFP Project 2019	Complete CFP Project 2020	Incomplete CFP Project 2021	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
The Actual Modernization Costs are as Follows:				
1. Funds Approved Total	\$ 235,934	\$ 251,953	\$ 264,094	\$ 751,981
Funds Expended Y-T-D	<u>235,934</u>	<u>147,107</u>	<u>-</u>	<u>383,041</u>
Excess of Funds Approved	<u>\$ -</u>	<u>\$104,846</u>	<u>\$264,094</u>	<u>\$368,940</u>
2. Funds Advanced Y-T-D	\$ 235,934	\$ 251,953	\$ 264,094	\$ 751,981
Funds Expended Y-T-D	<u>235,934</u>	<u>147,107</u>	<u>-</u>	<u>383,041</u>
Excess of Funds Advanced	<u>\$ -</u>	<u>\$104,846</u>	<u>\$264,094</u>	<u>\$ 368,940</u>

See Independent Auditors' Report.

Housing Authority of Winnfield (LA123)

Winnfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Audit

Fiscal Year End: 09/30/2022

	Project Total	1 Business Activities	Subtotal	Total
111 Cash - Unrestricted	\$12,919		\$12,919	\$12,919
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits				
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$12,919	\$0	\$12,919	\$12,919
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$20,340		\$20,340	\$20,340
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous	\$1,600,000		\$1,600,000	\$1,600,000
126 Accounts Receivable - Tenants				
126.1 Allowance for Doubtful Accounts -Tenants				
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,620,340	\$0	\$1,620,340	\$1,620,340
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				

142 Prepaid Expenses and Other Assets				
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$1,633,259	\$0	\$1,633,259	\$1,633,259
161 Land				
162 Buildings				
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration				
165 Leasehold Improvements				
166 Accumulated Depreciation				
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$1,633,259	\$0	\$1,633,259	\$1,633,259
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$45,696		\$45,696	\$45,696
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable				

322	Accrued Compensated Absences - Current Portion				
324	Accrued Contingency Liability				
325	Accrued Interest Payable				
331	Accounts Payable - HUD PHA Programs				
332	Account Payable - PHA Projects				
333	Accounts Payable - Other Government				
341	Tenant Security Deposits				
342	Unearned Revenue				
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344	Current Portion of Long-term Debt - Operating Borrowings				
345	Other Current Liabilities				
346	Accrued Liabilities - Other				
347	Inter Program - Due To				
348	Loan Liability - Current				
310	Total Current Liabilities	\$45,696	\$0	\$45,696	\$45,696
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352	Long-term Debt, Net of Current - Operating Borrowings				
353	Non-current Liabilities - Other				
354	Accrued Compensated Absences - Non Current				
355	Loan Liability - Non Current				
356	FASB 5 Liabilities				
357	Accrued Pension and OPEB Liabilities				
350	Total Non-Current Liabilities	\$0	\$0	\$0	\$0
300	Total Liabilities	\$45,696	\$0	\$45,696	\$45,696
400	Deferred Inflow of Resources				
508.4	Net Investment in Capital Assets				
511.4	Restricted Net Position				
512.4	Unrestricted Net Position	\$1,587,563	\$0	\$1,587,563	\$1,587,563

513 Total Equity - Net Assets / Position	\$1,587,563	\$0	\$1,587,563	\$1,587,563
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,633,259	\$0	\$1,633,259	\$1,633,259

Housing Authority of Winnfield (LA123)
Winnfield, LA
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Audit

Fiscal Year End: 09/30/2022

	Project Total	1 Business Activities	Subtotal	Total
70300 Net Tenant Rental Revenue	\$20,650		\$20,650	\$20,650
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$20,650	\$0	\$20,650	\$20,650
70600 HUD PHA Operating Grants	\$802,224		\$802,224	\$802,224
70610 Capital Grants	\$0		\$0	\$0
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$121		\$121	\$121
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$4,139		\$4,139	\$4,139
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$827,134	\$0	\$827,134	\$827,134

91100 Administrative Salaries	\$5,866		\$5,866	\$5,866
91200 Auditing Fees	\$13,000		\$13,000	\$13,000
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative	\$4,343		\$4,343	\$4,343
91600 Office Expenses				
91700 Legal Expense				
91800 Travel				
91810 Allocated Overhead				
91900 Other	\$224,357		\$224,357	\$224,357
91000 Total Operating - Administrative	\$247,566	\$0	\$247,566	\$247,566
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other				
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93100 Water	\$272		\$272	\$272
93200 Electricity	\$3,083		\$3,083	\$3,083
93300 Gas	\$40		\$40	\$40
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$3,395	\$0	\$3,395	\$3,395
94100 Ordinary Maintenance and Operations - Labor	\$3,377		\$3,377	\$3,377

94200 Ordinary Maintenance and Operations - Materials and Other	\$27,508		\$27,508	\$27,508
94300 Ordinary Maintenance and Operations Contracts	\$8,931		\$8,931	\$8,931
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,234		\$1,234	\$1,234
94000 Total Maintenance	\$41,050	\$0	\$41,050	\$41,050
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance				
96120 Liability Insurance				
96130 Workmen's Compensation				
96140 All Other Insurance	\$39,981		\$39,981	\$39,981
96100 Total insurance Premiums	\$39,981	\$0	\$39,981	\$39,981
96200 Other General Expenses				
96210 Compensated Absences				
96300 Payments in Lieu of Taxes				
96400 Bad debt - Tenant Rents	\$2,976		\$2,976	\$2,976
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$2,976	\$0	\$2,976	\$2,976
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$334,968	\$0	\$334,968	\$334,968

97000 Excess of Operating Revenue over Operating Expenses	\$492,166	\$0	\$492,166	\$492,166
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense				
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$334,968	\$0	\$334,968	\$334,968
10010 Operating Transfer In	\$737,143		\$737,143	\$737,143
10020 Operating transfer Out	-\$737,143		-\$737,143	-\$737,143
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)	-\$1,972,946		-\$1,972,946	-\$1,972,946
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	-\$1,972,946	\$0	-\$1,972,946	-\$1,972,946
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$1,480,780	\$0	-\$1,480,780	-\$1,480,780
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$2,940,175	\$128,168	\$3,068,343	\$3,068,343

11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$128,168	-\$128,168	\$0	\$0
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	236	0	236	236
11210 Number of Unit Months Leased	153	0	153	153
11270 Excess Cash	\$1,559,649		\$1,559,649	\$1,559,649
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$0		\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0	\$0
11650 Leasehold Improvements Purchases	\$0		\$0	\$0
11660 Infrastructure Purchases	\$0		\$0	\$0
13510 CFFP Debt Service Payments	\$0		\$0	\$0
13901 Replacement Housing Factor Funds	\$0		\$0	\$0

**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***

To Bobby Collins and the
Board of Commissioners of the Housing
Authority of the city of Winnfield
Winnfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the business- type activities of the Housing Authority of the City of Winnfield, Louisiana, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Winnfield, Louisiana’s basic financial statements and have issued our report thereon dated July 3, 2023.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

However, material weaknesses may exist that have not been identified. Given these limitations during our audit we did not identify any deficiencies in internal control we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Winnfield's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instances of noncompliance or other matters that are required to be reported under *Generally Accepted Auditing Standards* and which is described in the accompanying schedule of findings and responses as item [2022-001].

Housing Authority of the City of Winnfield Response to Findings.

The Housing Authority of the City of Winnfield response to the finding identified in our audit is described in the accompanying schedule of finding and responses. The Housing Authority of the City of Winnfield's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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

Bruno & Tervalon LLP

New Orleans, Louisiana

July 3, 2023

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended September 30, 2022

I. Summary of Auditors' Results

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Housing Authority of the City of Winnfield.
2. There are no material weaknesses or significant deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' 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*.
3. There was one instance of noncompliance that is reported in the *Independent Auditors' 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*.

b. Federal Awards

N/A

c. Management Letter

1. No management letter was issued in connection with the audit for the year ended September 30, 2022.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

**SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2022**

II. Findings – Financial Statement Audit

2022-001 Late Submission of Audit Report to LLA

Fiscal Year Finding Originated: 2022

Condition:

The report was not submitted to the Legislative Auditor’s office in a timely basis.

Criteria:

LSA-R.S.24.513 States that, “all engagements must be completed and transmitted to the Legislative Auditor within six months of the close of the auditee fiscal year.”

Cause:

The housing authority did not establish procedures to ensure timely submission of financial audit report be submitted to the LA Legislative Auditor office in a timely manner.

Effect:

The housing authority was not in compliance with the State Law governing audit engagement completion.

Recommendation:

The housing authority should remain in compliance with the State Law governing audit engagement completion. The audit engagement should be sought through the methods prescribed by the Louisiana Legislative Auditor. A firm should be selected, and approval of the Louisiana Legislative Auditor sought early enough to allow the audit to begin as soon after the close of the fiscal year as is practicable.

Management’s Response:

See Attached Response-Page 39

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

SUMMARY OF PRIOR YEAR FINDINGS For the Year Ended September 30, 2022

III. Summary of Prior Year Findings

Reference Number

2021-001

Criteria

Management of HACW is responsible for the establishment of effective policies and procedures to ensure compliance with Federal State and Local regulations, statues and ordinances, where applicable.

Condition

- Pursuant to State of Louisiana R.S. 42:343:
- Each public servant shall receive a minimum of one hour of education and training on preventing sexual harassment during each full calendar year of his or public employment or term of office.
- Further, HACW shall require supervisors and any person designated by HACW to accept or investigate a complain of sexual harassment to receive additional education and training.
- Also, HACW shall ensure that each employee is notified of its policy against sexual harassment and the mandatory training requirement on preventing sexual harassment. The Executive Director or his designee, shall be responsible for maintaining records of compliance of each employee with the mandatory training requirement. Further, each employee's record of compliance shall be a public record and available to the public in accordance with the Public Records Law.
- In addition, HACW shall ensure that its policy against sexual harassment and its compliance procedure is prominently posted on its website or, if HACW does not have a website, that a notice on how to obtain the information is posted in a conspicuous location in its office.

Cause

Lack of oversight of compliance with State of Louisiana statue R.S. 42:343.

Effect or Potential Effect

Noncompliance of State of Louisiana statue regarding sexual harassment mandatory training.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD

SUMMARY OF THE PRIOR YEAR FINDINGS (CONTINUED)

For the Year Ended September 30, 2022

III. Summary of Prior Year Findings Continued

Reference Number, Continued

2021-001

Recommendation

Management should review the requirements of R.S. 42:343 and ensure compliance.

Management's Response and Planned Corrective Action

Management has initiated the required training for its staff and anticipates compliance by no later than December 31, 2022.

Current Status

Unresolved-See State Agreed-Upon Procedures report regarding sexual harassment training.

May 31, 2023

Housing Authority of the City of Winnfield

Agency ID 4110

Extension Request Date: May 31, 2023

Person Requesting Extension: Aimee Buchanan, CPA – Fee Accountant for Agency

To Whom It May Concern:

We are requesting an additional 30-day extension to June 30, 2023, for the submission of the June 30, 2022, audit report for the Housing Authority of the City of Winnfield.

The auditor is not ready to submit the report and needs more time to prepare the report with the correct information. There has been turnover at the firm, which has caused a delay in the audit and the preparation of the audit report.

Time is needed for several changes to be made to the audit report after management's internal review. The report was provided to management too close to the due date, which did not allow ample time for changes to be discussed and made.

We greatly appreciate your consideration in this matter.

Sincerely,

Aimee Buchanan, CPA

Fee Accountant for the Housing Authority of the City of Winnfield

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON
PROCEDURES

To the Board of Directors
Housing Authority of Winnfield
Winnfield, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Housing Authority of Winnfield and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2021 through September 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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 whether 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.

We performed the procedures above and noted no exceptions.

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.

We performed the above procedures and noted no exceptions.

c. *Disbursements*, including processing, reviewing, and approving.

We performed the above procedures and noted no exceptions.

- a. **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.)

We performed the above procedures and noted the following exceptions:

The entity had no policies or procedures on receipts/collections that addressed receiving, recording, and preparing deposits.

Response: See Management's Response Letter.

- b. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We performed the above procedures and noted no exceptions.

- c. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

We performed the above procedures and noted no exceptions.

- d. **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).

We performed the above procedures and noted no exceptions.

- e. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We performed the above procedures and noted no exceptions.

- f. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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.

We performed the procedures above and noted no exceptions.

- g. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

We performed the above procedures and noted the following exceptions:

The entity had no policies on debt services that addressed debt issuance approval, continuing disclosure/EMMA reporting requirements, debt reserve requirements, and debt service requirements.

Response: See Management's Response Letter.

- h. Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage 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 systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We performed the above procedures and noted the following exceptions:

The entity had no policies on Information Technology Disaster recovery that addressed the identification and storage backups of critical data.

Response: See Management's Response Letter.

- i. Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

We performed the above procedures and noted the following exceptions:

The entity had no policies on Sexual Harassment that addressed agency responsibilities and prohibitions, annual employee training, and annual reporting.

Response: See Management Response Letter.

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:

- j.** Observe that the board/finance committee meets with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

We performed the above procedures and noted the following exceptions:

The entity could not provide documentation on finance committee meetings due to them not having monthly meetings.

Response: See Management's Response Letter.

- k.*** For those entities reporting on the governmental accounting model, observe whether the minutes reference 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. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

We performed the above procedure and noted the following exceptions:

The entity could not provide documentation on finance committee meetings due to them not having monthly meetings.

Response: See Management's Response Letter.

- l.*** 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.

We performed the above procedures and noted no exceptions.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that: We performed the above procedures and noted no exceptions.

- m.*** Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

We performed the above procedures and noted no exceptions.

- n.*** 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):

We performed the above procedures and noted no exceptions.

- o.*** Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

We performed the above procedures and noted no exceptions.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are segregated at each collection location such that:

- p.*** Employees that are responsible for cash collections do not share cash drawers/registers.

We performed the above procedures and noted no exceptions.

- q.*** 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.

We performed the above procedures and noted no exceptions.

- r.*** Each employee responsible for collecting cash is not responsible for posting collection entries to general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposits.

We performed the above procedures and noted no exceptions.

- s.*** 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/official verifies the reconciliation.

We performed the above procedures and noted no exceptions.

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.

We performed the above procedures and noted no exceptions.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- t. Observe that receipts are sequentially pre-numbered.

We performed the procedure above and noted no exceptions.

- u. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

We performed the procedure above and noted no exceptions.

- v. Trace the deposit slip total to the actual deposit per the bank statement.

We performed the procedure above and noted no exceptions.

- w. Observe 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).

We performed the procedure above and noted no exceptions.

- x. Trace the actual deposit per the bank statement to the general ledger.

We performed the procedure above and noted no exceptions.

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

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:

- y. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

We performed the procedure above and noted no exceptions.

- z. At least two employees are involved in processing and approving payments to vendors.

We performed the procedure above and noted no exceptions.

- aa. 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.

We performed the procedure above and noted no exceptions.

- bb. 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.

We performed the procedure above and noted no exceptions.

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:

- cc. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

We performed the procedure above and noted no exceptions.

- dd. Observe whether the disbursement documentation included evidence (e.g., initial/ date, electronic logging) of segregation of duties tested under #9, as applicable.

We performed the procedure above and noted no exceptions.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P- cards (card) 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.

12. 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:

- ee. Observe that there is evidence that the monthly statement or combined statement and supporting documentation. (e.g., original receipts for credit/debit card purchases exception

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

13. 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 it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We performed the procedure above and noted no exceptions.

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

14. 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:

gg. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.

We performed the procedures above and noted no exceptions.

hh. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identified precisely what was purchased.

We performed the procedures above and noted no exceptions.

ii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the name of those individuals participating and other documentation required by written policy (procedure #1h).

We performed the procedures above and noted no exceptions.

- jj. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

We performed the procedures above and noted no exceptions.

Contracts

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

- kk. 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.

We performed the procedures above and noted no exceptions.

- ll. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

We performed the procedure above and noted no exceptions.

- mm. 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, was approval documented).

We performed the procedure above and noted no exceptions.

- nn. 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.

We performed the procedure above and noted no exceptions.

Payroll and Personnel

16. Obtain a listing of employees/elected 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.

17. 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:

oo. 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.)

We performed the procedure above and noted the following exceptions: The entity did not document daily attendance and leave for the fiscal year.

Response: See Management's Response Letter.

pp. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

We performed the procedure above and noted the following exceptions: Supervisors of the entity did not document time or leave approval.

Response: See Management's Response Letter.

qq. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

We performed the procedure above and noted no exceptions.

18. 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.

No employees were terminated during the period.

19. 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.

We performed the procedure above and noted no exceptions. Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

rr. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

We performed the procedure above and noted no exceptions.

- ss. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

We performed the procedure above and noted no exceptions.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

We performed the procedure above and noted no exceptions.

22. 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).

We performed the procedure above and noted no exceptions.

Fraud Notice

23. 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.

We performed the procedure above and noted no exceptions.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We performed the procedure above and noted the following exceptions:

The entity does not have a notice relating to the reporting of misappropriations, fraud, waste or abuse of public funds listed on their website or premises.

Response: See Management Response Letter.

Information Technology Disaster Recovery/Business Continuity

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

- tt. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedures above and noted no exceptions.

- uu. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedures above and noted no exceptions.

- vv. 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.

We performed the procedure above and noted no exceptions.

Sexual Harassment

26. 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.

We performed the above procedures and noted no exceptions.

27. 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).

We performed the above procedures and noted the following exceptions:

The Town did not post its Sexual Harassment policy and complaint procedure on its website.

Response: See Management Response Letter.

28. 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;

The Entity did not provide an annual Sexual Harassment Report.

- b. Number of sexual harassment complaints received by the agency;

The Entity did not provide an annual Sexual Harassment Report.

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

The Entity did not provide an annual Sexual Harassment Report.

- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

The Entity did not provide an annual Sexual Harassment Report.

- e. Amount of time it took to resolve each complaint.

The Entity did not provide an annual Sexual Harassment Report.

We were engaged by the Housing Authority of Winnfield, LA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Bruno & Tervalon LLP
Lake Charles, Louisiana
July 3, 2023

Housing Authority Of The City of Winnfield



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July 10, 2023

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Mr. Trost Friedler

The Housing Authority converted to the RAD program at the beginning of their 2022 fiscal year. All activity and fixed assets were transferred to the appropriate entities that will now be administering this program. The Winnfield Housing Authority no longer has day-to-day activities; therefore, most of the policies described are no longer applicable.

Should you have questions or need additional information, please feel free to contact our office at 318-628-4960.

Sincerely,

Bobby R. Collins
Bobby R. Collins
Executive Director