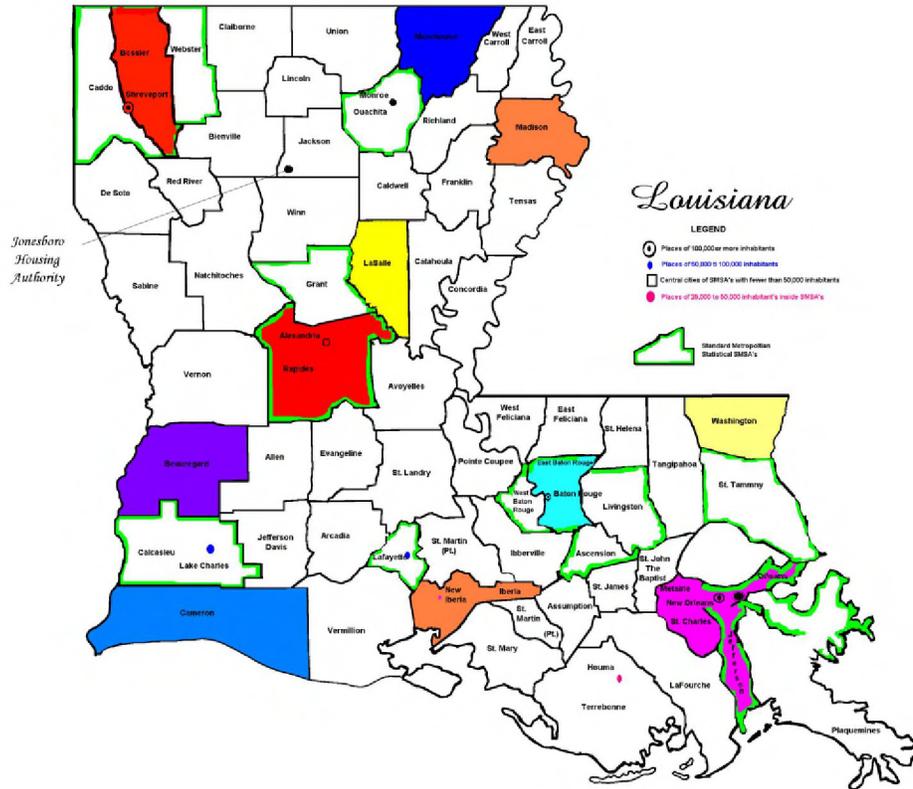


**HOUSING AUTHORITY OF THE
TOWN OF JONESBORO, LOUISIANA**

**Basic Financial Statements &
Independent Auditor's Reports**

September 30, 2023

HOUSING AUTHORITY OF THE TOWN OF JONESBORO JONESBORO, LOUISIANA



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

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

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September 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

Housing Authority of the
Town of Jonesboro, Louisiana

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Jonesboro, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the housing authority's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the Town of Jonesboro'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 Housing Authority of the Town of Jonesboro's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing

standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Jonesboro's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2024, on our consideration of the Housing Authority of the Town of Jonesboro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the Town of Jonesboro's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated March 16, 2024, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

The Vercher Group

March 16, 2024

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION
& ANALYSIS (MD&A)

September 30, 2023

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

**Management's Discussion and Analysis (MD&A)
September 30, 2023**

As management of the Housing Authority of the Town of Jonesboro, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the Authority's 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 \$3,293,202 (net position).
- As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$627,758.
- The Authority's cash balance at September 30, 2023, was \$62,365, with \$25,870 being restricted cash. Investments totaled \$600,000.
- The Authority had total revenue of \$1,617,455, in which \$1,233,692 was operating revenue, \$75,118 was non-operating revenue, and \$308,645 was capital contributions.
- The Authority had total expenses of \$1,612,764, in which \$1,611,820 was operating expenses and \$944 was non-operating expenses.
- The Authority had a total change in net position of \$4,691 and a prior period adjustment of \$1,718.

Overview of the Financial Statements

The discussion and analysis is 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 Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and the notes to the financial statements. This report also contains the Schedule of Expenditures of Federal Awards as supplementary information in addition to the basic financial statements themselves.

The Statement of Net Position presents information on all of the housing authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the housing authority is improving or deteriorating, or otherwise changing in a significant manner.

The Statement of Revenues, Expenses, and Changes in Net Position present information detailing how the housing authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some times that will only result in cash flows in the future fiscal periods (e.g., earned but not used vacation leave).

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

**Management's Discussion and Analysis (MD&A)
September 30, 2023**

The Statement of Cash Flows provides information about the housing authority's cash receipts and cash payments during the fiscal year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing and investing activities.

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.

Housing Authority's Significant Programs

The housing authority has two programs which are consolidated into a single enterprise fund. The housing authority's programs consist of the following:

Low-Income Public Housing

Under the Conventional Public Housing Program, the housing authority rents units it owns to low-income families. The Conventional Public Housing Program is operated under an Annual Contribution Contract with HUD, and HUD provides an Operating Subsidy to enable the housing authority to provide housing to low-income individuals and families.

Capital Fund Program

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

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

**Management's Discussion and Analysis (MD&A)
September 30, 2023**

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, 2023.

Statement of Net Position			
Category	2022	2023	% Change
Current Assets	\$ 847,472	\$ 761,595	-10.1
Current Restricted Assets	24,185	25,870	7.0
Capital Assets-Net of Depreciation	2,592,035	2,665,444	2.8
Subscription Asset- Net of Amortization	-0-	967	100.0
Total Assets	<u>3,463,692</u>	<u>3,453,876</u>	0.3
Current Liabilities	136,335	120,269	-11.8
Liabilities Payable from Restricted Assets	24,185	25,870	7.0
Non-Current Liabilities	16,379	14,535	-11.3
Total Liabilities	<u>176,899</u>	<u>160,674</u>	-9.2
Net Investment in Capital Assets	2,592,035	2,665,444	2.8
Unrestricted Net Position	694,758	627,758	-9.6
Total Net Position	<u>\$ 3,286,793</u>	<u>\$ 3,293,202</u>	0.2

- Total assets decreased by \$9,816 or 0.3% from last year. The primary reason for this decrease is due to a decrease in current assets in the amount of \$85,877.
- Current restricted assets, increased by \$1,685 or 7.0%.
- Total liabilities decreased by \$16,225 or 9.2%; liabilities payable from restricted assets increased by \$1,685 or 7.0%; non-current liabilities decreased by \$1,844 or 11.3%.

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

**Management's Discussion and Analysis (MD&A)
September 30, 2023**

The table below lists the revenue and expense comparisons for the year ended September 30, 2023.

Operating Revenues	2022	2023	% Change
Rental Revenue	\$ 448,634	\$ 481,507	7.3
Other Tenant Revenue	19,671	22,346	13.6
HUD Operating Grants	767,266	729,839	-4.9
Total Operating Revenues	<u>1,235,571</u>	<u>1,233,692</u>	-0.2
Operating Expenses			
Administrative	369,180	347,142	-6.0
Tenant Services – Other	881	2,273	158.0
Utilities	27,172	29,606	9.0
Maintenance	579,254	680,924	17.6
Insurance	145,062	173,616	19.7
PILOT	42,146	45,190	7.2
Compensated Absences	22,162	23,784	7.3
Bad Debt Tenant's Rent	15,935	12,541	-21.3
Protective Services	4,129	16,078	289.4
Other General Expenses	-0-	2,421	100.0
<i>Depreciation</i>	260,067	278,245	7.0
Total Operating Expenses	<u>1,465,988</u>	<u>1,611,820</u>	10.0
Operating Income (Loss)	<u>(230,417)</u>	<u>(378,128)</u>	-64.1
Nonoperating Revenues (Expenses)			
Interest Income	2,743	7,799	184.3
Other Revenue	177,188	67,319	-62.0
Other Government Grants	20,002	-0-	-100.0
Casualty Losses (non-capitalized)	(188,438)	-0-	100.0
Extraordinary Maintenance	-0-	(944)	-100.0
Total Nonoperating Revenues (Expenses)	<u>11,495</u>	<u>74,174</u>	545.3
Capital Contributions	597,095	308,645	-48.3
Change in Net Position	378,173	4,691	-98.8
Prior Period Adjustment	-0-	1,718	100.0
Total Net Position - Beginning	<u>2,908,620</u>	<u>3,286,793</u>	13.0
Total Net Position - Ending	<u>\$ 3,286,793</u>	<u>\$ 3,293,202</u>	0.2

- Total operating revenues decreased by \$1,879 or 0.2%. The reason for the decrease is due to a decrease in HUD operating grants in the amount of \$37,427.
- Operating expenses increased by \$145,832 or 10.0%.
- Non-operating revenues/expenses changed by \$62,679 or 545.3%. The reason for this change is due to an increase in casualty losses in the amount of \$188,438.

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

**Management's Discussion and Analysis (MD&A)
September 30, 2023**

Capital Assets

As of September 30, 2023, the Authority's investment in capital assets was \$2,665,444 (net of accumulated depreciation). This investment included land, building, building improvements, dwelling equipment, and maintenance equipment.

Capital Assets at Year-End

	<u>2022</u>	<u>2023</u>
Land *	\$ 680,738	\$ 680,738
Buildings & Improvements	8,580,514	8,980,538
Furniture & Equipment	394,567	394,568
Construction in Progress	50,306	-0-
Accumulated Depreciation	<u>(7,114,090)</u>	<u>(7,390,400)</u>
Total	<u>\$ 2,592,035</u>	<u>\$ 2,665,444</u>

* Land in the amount of \$680,738 is not being depreciated.

Long Term Debt

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

Future Events that Will Impact the Authority

The Authority relies heavily upon HUD operating subsidies. The amount appropriated has not currently been approved for the FYE 2024 year. Therefore, any results of budget shortfalls cannot be determined.

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

Contacting the Authority's Financial Management

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

Housing Authority of the Town of Jonesboro
839 Harvey Place
Jonesboro, LA 71251

Basic Financial Statements

**Housing Authority of the
Town of Jonesboro, Louisiana
Statement of Net Position
September 30, 2023**

CURRENT ASSETS	
Cash	\$ 36,495
Investments	600,000
Receivables (Net of Allowance)	27,059
Prepaid Insurance	88,282
Inventories	9,759
Restricted:	
Cash – Tenant’s Security Deposits	25,870
TOTAL CURRENT ASSETS	<u>787,465</u>
NON-CURRENT ASSETS	
Capital Assets (Net of Accumulated Depreciation)	2,665,444
Subscription Asset (Net of Accumulated Amortization)	967
TOTAL NON-CURRENT ASSETS	<u>2,666,411</u>
TOTAL ASSETS	<u><u>3,453,876</u></u>
CURRENT LIABILITIES	
Accounts Payable	34,735
Accrued Wages/Payroll Taxes Payable	7,033
Accrued Compensated Absences	13,984
Other Accrued Liabilities	369
PILOT	45,190
Other Current Liabilities	12,690
Unearned Revenue	6,268
TOTAL CURRENT LIABILITIES	<u>120,269</u>
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Tenant Security Deposits	25,870
TOTAL LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>25,870</u>
NON-CURRENT LIABILITIES	
Accrued Compensated Absences	14,535
TOTAL NON-CURRENT LIABILITIES	<u>14,535</u>
TOTAL LIABILITIES	<u>160,674</u>
NET POSITION	
Net Investment in Capital Assets	2,665,444
Unrestricted	627,758
TOTAL NET POSITION	<u>\$ 3,293,202</u>

The accompanying notes are an integral part of this statement.

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

OPERATING REVENUES	
Rental Revenue	\$ 481,507
Other Tenant Revenue	22,346
HUD Operating Grants	729,839
TOTAL OPERATING REVENUES	<u>1,233,692</u>
 OPERATING EXPENSES	
<i>Administration:</i>	
Administrative Salaries	171,249
EBC-Administrative	48,849
Other Operating - Administrative	127,044
<i>Cost of Sales & Service:</i>	
Tenant Services – Other	2,273
Water	1,446
Electricity	19,095
Gas	8,342
Other Utilities	723
O/M – Labor	237,981
O/M – Materials & Other	172,086
O/M – Contracts	184,962
EBC Maintenance	85,895
Insurance	173,616
PILOT	45,190
Compensated Absences	23,784
Bad Debt Tenant’s Rent	12,541
Protective Services	16,078
Other General Expenses	2,421
<i>Depreciation and Amortization</i>	278,245
TOTAL OPERATING EXPENSES	<u>1,611,820</u>
 OPERATING INCOME (LOSS)	 <u>(378,128)</u>
 NONOPERATING REVENUES (EXPENSES)	
Interest Income	7,799
Other Revenue	67,319
Other Government Grants	-0-
Sale of Capital Asset	-0-
Extraordinary Maintenance	(944)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>74,174</u>
 Capital Contributions	 308,645
 CHANGE IN NET POSITION	 4,691
 PRIOR PERIOD ADJUSTMENT	 1,718
 TOTAL NET POSITION - BEGINNING	 <u>3,286,793</u>
TOTAL NET POSITION - ENDING	\$ <u>3,293,202</u>

**Housing Authority of the
Town of Jonesboro, Louisiana
Statement of Cash Flows
Year Ended September 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received From Tenants	\$ 476,954
Cash Received From Government Operating Subsidy	760,412
Cash Payments to Suppliers for Goods & Services	(862,656)
Cash Payments to Employees for Services	(440,862)
Cash Payments to Payments in Lieu of Taxes (PILOT)	(41,763)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(107,915)</u>
CASH FLOWS FROM NONCAPITAL ACTIVITIES	
Other Revenue	67,319
Extraordinary Maintenance	(944)
NET CASH PROVIDED (USED) BY NONCAPITAL ACTIVITIES	<u>66,375</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Subsidy From Capital Grants	308,645
Acquisition of Capital Assets	(349,719)
Other Asset	(967)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(42,041)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash Provided by Interest From Investments	7,799
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>7,799</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(75,782)
CASH, BEGINNING OF YEAR	<u>138,147</u>
CASH, END OF YEAR	<u>62,365</u>
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	36,495
Tenants' Security Deposits	25,870
TOTAL CASH & CASH EQUIVALENTS	<u>\$ 62,365</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the
Town of Jonesboro, Louisiana
Statement of Cash Flows
Year Ended September 30, 2023**

Reconciliation

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

Operating Income (Loss)	\$ <u>(378,128)</u>
Depreciation Expense	278,245
(Increase) Decrease in HUD Receivable	30,356
(Increase) Decrease in Accounts Receivable – Tenants/Other	(9,215)
(Increase) Decrease in Prepaid Insurance	(19,578)
(Increase) Decrease in Inventories	6,630
Increase (Decrease) in Accounts Payable	9,869
Increase (Decrease) in Wages/Payroll Taxes Payable	629
Increase (Decrease) in Other Accrued Liabilities	(28,608)
Increase (Decrease) in Accounts Payable – Other Government	3,644
Increase (Decrease) in Compensated Absences	(3,653)
Increase (Decrease) in Unearned Revenue	209
Increase (Decrease) in Tenant Security Deposits	<u>1,685</u>
TOTAL ADJUSTMENTS	<u>270,213</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(107,915)</u>

LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES

Contributions of Capital Assets From Government	\$ <u>-0-</u>
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The accompanying notes are an integral part of this statement.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

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

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

INTRODUCTION

The Housing Authority of the Town of Jonesboro is an apartment complex for persons of low income located in Jonesboro, 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 Town of Jonesboro, Louisiana, a non-profit corporation. The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of Jonesboro, Louisiana. 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 into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

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

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

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. BASIC FINANCIAL STATEMENTS

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

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

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

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

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

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

Operating revenues and expenses have been reported separately from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The primary operating revenue of the Housing Authority is derived from tenant revenues and operating grants. 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.

C. DEPOSITS & INVESTMENTS

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

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

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

D. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 assets. All trade and other receivables are shown net of an allowance for uncollectable.

E. INVENTORIES & PREPAID ITEMS

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

F. CAPITAL ASSETS

Capital assets, which include land, buildings, improvements, and equipment, are reported in columns in the basic financial statements. Capital assets are capitalized at historical cost. The PHA maintains a threshold level of \$500 or more for capitalizing capital assets.

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

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

Buildings	20 Years
Building Improvements	10 Years
Nondwelling Structures	10 Years
Vehicles	5 Years

G. COMPENSATED ABSENCES

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

At September 30, 2023, employees of the PHA had accumulated and vested \$28,519 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at September 30, 2023, was \$13,984 recorded as current obligation and \$14,535 recorded as non-current obligation.

H. EQUITY CLASSIFICATIONS

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

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

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

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

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

I. EXTRAORDINARY & SPECIAL ITEMS

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

J. 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.

K. ESTIMATES

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

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

At September 30, 2023, the Housing Authority had cash and investments (bank balances) totaling \$718,607 as follows:

Description	Jackson Parish Bank	Jonesboro State Bank	Hodge Bank	Sabine State Bank	Total
Demand Deposits	\$ 118,607	\$ -0-	\$ -0-	\$ -0-	\$ 118,607
Time Deposits	300,000	100,000	100,000	100,000	600,000
Total Securities	<u>\$ 418,607</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 718,607</u>

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

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

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:

Description	Jackson Parish Bank	Jonesboro State Bank	Hodge Bank	Sabine State Bank	Total
FDIC (Category 1)	\$ 250,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 550,000
Securities (Category 2)	308,972	-0-	-0-	-0-	308,972
Total Securities	<u>\$ 558,972</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 858,972</u>

All deposits were fully secured as of September 30, 2023.

3. RESTRICTED CASH

The following funds are restricted:

Tenant Security Deposits	\$ 25,870
Total	<u>\$ 25,870</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

4. ACCOUNTS RECEIVABLE

The receivables of \$27,059 as of September 30, 2023, are as follows:

Accounts Receivables – Tenants	\$	5,426
Accounts Receivables – HUD		12,690
Accrued Interest Receivable		5,351
Fraud Recovery		5,593
Allowance for Doubtful Accounts		(2,001)
Total	\$	<u>27,059</u>

5. PREPAID ITEMS

The Authority's prepaid items as of September 30, 2023, consist of the following:

Prepaid Insurance	\$	<u>88,282</u>
Total	\$	<u>88,282</u>

6. INVENTORY

The inventories of \$9,759 as of September 30, 2023, are as follows:

Inventories	\$	10,843
Allowance for Obsolete Inventories		<u>(1,084)</u>
Total	\$	<u>9,759</u>

7. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets				
Land *	\$ 680,738	\$ -0-	\$ -0-	\$ 680,738
Building & Improvements	8,580,514	400,024	-0-	8,980,538
Furniture & Equipment	394,568	-0-	-0-	394,568
Construction in Progress	50,306	-0-	(50,306)	-0-
Total Capital Assets	<u>9,706,126</u>	<u>400,024</u>	<u>(50,306)</u>	<u>10,055,844</u>
Less Accumulated Depreciation	<u>(7,114,090)</u>	<u>(276,310)</u>	<u>-0-</u>	<u>(7,390,400)</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,592,035</u>	<u>\$ 123,714</u>	<u>\$ (50,306)</u>	<u>\$ 2,665,444</u>

* Land in the amount of \$680,738 is not being depreciated.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

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

The term for SBITA is for a two-year period at an annual fee of \$1,200. At September 30, 2023, the Authority has a net right-to-use SBITA asset of \$967.

Cash flow payments for the current fiscal year ended included interest of \$15 and a principal of \$1,200. The weighted-average discount rate used was 2.5%.

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

	Beginning Balance	Additions	Deletions	Ending Balance
SBITA	\$ 2,902	\$ -0-	\$ -0-	\$ 2,902
Less Accumulated Amortization	-0-	(1,935)	-0-	(1,935)
Net Capital Assets	\$ 2,902	\$ (1,935)	\$ -0-	\$ 967

9. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$120,269 at September 30, 2023, are as follows:

Accounts Payable	\$ 34,735
Accounts Payable-Other Government	45,190
Accrued Wages/Payroll Taxes Payable	7,033
Accrued Compensated Absences (Current)	13,984
Accrued Liabilities-Other	369
Unearned Revenue	6,268
Other Current Liabilities	12,690
Total	\$ 120,269

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

10. CHANGES IN COMPENSATED ABSENCES PAYABLES

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

		<u>Current</u>		<u>Noncurrent</u>		<u>Total</u>
Beginning of year	\$	15,793	\$	16,379	\$	32,172
Additions/(Retirements)		(1,809)		(1,844)		(3,653)
End of year	\$	13,984	\$	14,535	\$	28,519

11. BOARD OF COMMISSIONERS

<u>Name</u>	<u>Title</u>
Mary Hoover	Chairman
Nick Walker	Co-Chairman
Theresa Bradford	Commissioner
April Williams	Commissioner
Kennshoreynn Jones	Commissioner

The board members of the Housing Authority received no compensation for their services.

12. FEDERAL COMPLIANCE CONTINGENCIES

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

13. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing & Urban Development provided \$1,038,484 to the Housing Authority, which represents approximately 64.2% of the Housing Authority's revenues for the year.

14. CONTINGENT LIABILITIES & SUBSEQUENT EVENTS

At September 30, 2023, the Housing Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the Housing Authority in the current and prior years. These examinations may result in required refunds by the Housing Authority to federal grantors and/or program beneficiaries.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

15. PENSION PLAN

The Housing Authority contributes to the Argent Financial Group, which is a defined contribution pension plan.

A defined contribution plan provides pension benefits in return for services rendered, provided an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contributions pension plan, the benefits a participant will receive depends solely on the amount contributed to the participant's account. As established by the PHA's personnel policy, all full-time employees of the PHA must participate in the pension plan beginning twelve months from the date they are hired. Contributions made by the employee vest immediately and contributions made by the Housing Authority vest after five years of full-time employment. An employee who waives the employment of the PHA is entitled to his or her contributions and the PHA's contributions to the extent vested and the earnings on these amounts. Each employee may contribute any percentage of his or her base annual salary to the pension plan. The PHA is required to contribute an amount equal to 8% of the employee's base salary.

The Housing Authority's total covered payroll for the year ended September 30, 2023, was \$409,230. The Housing Authority's contribution for the year ended September 30, 2023, was \$32,738 and the employees' contribution for the year was \$11,875.

16. RISK MANAGEMENT

The housing authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the housing authority carries commercial insurance.

17. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, March 16, 2024, of the independent auditor's report for potential recognition or disclosure in the financial statements.

18. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the amount of \$1,718 to properly record the beginning balance of the subscription-based information technology arrangement.

Supplementary Information

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

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

Jonesboro Housing Authority
Everette L. Johnson, Executive-Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 69,000
Benefits-Insurance	9,855
Benefits-Retirement	5,520
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	873
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

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

See independent auditor's report.

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

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023**

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures (S)
Other Programs		
Department of Housing and Urban Development		
Public and Indian Housing	14.850	625,067
Total Public and Indian Housing		625,067
Public Housing Capital Fund	14.872	413,417
Total Public Housing Capital Fund		413,417
Total Other Programs		\$ 1,038,484
Total Expenditures of Federal Awards		\$ 1,038,484

The accompanying notes are an integral part of this schedule.

See independent auditor's report.

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

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023**

Note A – Single Audit Requirements

The Office of Management and Budget “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule” was released in the Federal Register on December 26, 2013 (2 CFR Chapter I, Chapter II, Part 200, et al.). This guidance supersedes requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.” The new requirements state that an entity expending \$750,000 or more of federal funds adhere to the Uniform Requirements.

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

1.) General

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

2.) Basis of Accounting

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

3.) Relationship to Basic Financial Statements

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

General:		
Operating Subsidy – Public & Indian Housing	\$	625,067
Capital Fund Grant		413,417
Total	\$	<u>1,038,484</u>

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with U.S. generally accepted accounting principles.

4.) Federal Awards

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

5.) Indirect Cost Rate

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

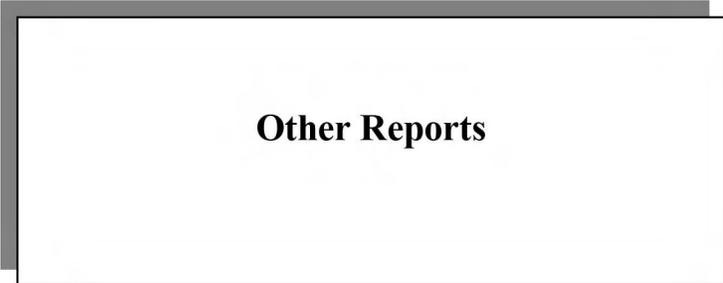
Presented for purposes of additional analysis only.

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

**Statement & Certification of Actual Modernization Cost
Annual Contribution Contract
September 30, 2023**

	<u>Incomplete</u> CFP Project 2020-501	<u>Incomplete</u> CFP Project 2021-501	<u>Incomplete</u> CFP Project 2022-501	<u>Incomplete</u> CFP Project 2023-501	<u>Total</u>
The Actual Modernization Costs are as follows:					
1. Funds Approved Total	\$ 380,584	\$ 400,685	\$ 488,081	\$ 491,330	\$ 1,760,680
Funds Expended Y-T-D	<u>(374,402)</u>	<u>(398,867)</u>	<u>(354,021)</u>	<u>-0-</u>	<u>(1,127,290)</u>
Excess of Funds Approved	<u>6,182</u>	<u>1,818</u>	<u>134,060</u>	<u>491,330</u>	<u>633,390</u>
2. Funds Advanced Y-T-D	374,402	398,867	354,021	-0-	1,127,290
Funds Expended Y-T-D	<u>(374,402)</u>	<u>(398,867)</u>	<u>(354,021)</u>	<u>-0-</u>	<u>(1,127,290)</u>
Excess of Funds Advanced	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See independent auditor's report.



Other Reports

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

Housing Authority of the
Town of Jonesboro
Jonesboro, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the Town of Jonesboro, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Jonesboro's basic financial statements, and have issued our report thereon dated March 16, 2024.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

The Vercher Group

Jena, Louisiana
March 16, 2024

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

Housing Authority of the
Town of Jonesboro
Jonesboro, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the Town of Jonesboro's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the Town of Jonesboro's major federal programs for the year ended September 30, 2023. The Housing Authority of the Town of Jonesboro's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority of the Town of Jonesboro, LA and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority of the Town of Jonesboro, LA's compliance with the compliance requirements referred to above.

Management's Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to the Housing Authority of the Town of Jonesboro, LA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Housing Authority of the Town of Jonesboro, LA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Housing Authority of the Town of Jonesboro, LA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the Town of Jonesboro, LA's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in*

internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

The Vercher Group

Jena, Louisiana
March 16, 2024

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

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

We have audited the basic financial statements of the Housing Authority of the Town of Jonesboro, as of and for the year ended September 30, 2023, and have issued our report thereon dated March 16, 2024. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I Summary of Auditor's Results

Our audit of the financial statements as of September 30, 2023, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards

Internal Control

Material Weaknesses Yes Other Conditions Yes

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

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

Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)
14.850	Public and Indian Housing

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

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

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

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

Section II - Financial Statement Findings

No items identified.

Section III – Federal Awards Findings and Questioned Costs.

No items identified.

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MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Housing Authority's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

There are no current year management letter comments.

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

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

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

The management of the Housing Authority of the Town of Jonesboro has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended September 30, 2022.

PRIOR YEAR FINDINGS

No items identified.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Jonesboro Housing Authority

We have performed the procedures enumerated below, which were agreed to by Jonesboro Housing Authority 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 period October 1, 2022, to September 30, 2023. 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 that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or fiduciary fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, fiduciary fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- a) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- b) **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).
- c) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- d) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials and appointed board members, annually attest through signature verification that they have read the entity's ethics policy.
- e) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- f) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- g) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting requirement.

Observation: We obtained a copy of the written policies and procedures manual and read it for the above items.

Exceptions: The policy and procedures manual did not address, disaster recovery/business continuity and sexual harassment.

Management's Response: Management will adopt a complete information technology recovery/business continuity and sexual harassment policy.

Board or Finance Committee

- 2) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions noted in the procedures performed.

Bank Reconciliations

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

No exceptions noted in the procedures performed.

Collections (excluding EFTs)

- 4) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about

their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

No exceptions noted in the procedures performed.

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

- 8) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9) For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exceptions noted in the procedures performed.

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

- 12) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 13) Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the

legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
- 14) Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted in the procedures performed.

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

- 15) Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in the procedures performed.

Contracts

- 16) Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

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

No exceptions noted in the procedures performed.

Payroll and Personnel

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

No exceptions noted in the procedures performed.

Ethics

- 21) Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.
- 22) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted in the procedures performed.

Debt Service

- 23) 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.
- 24) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted in the procedures performed.

Fraud Notice

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

No exceptions noted in the procedures performed.

Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have active antivirus software and that the antivirus, operating system, and accounting system software are the most recent versions available (i.e. up-to-date).
- 28) Randomly select 5 terminated employees using the list of terminated employees, observe the selected terminated employees have been removed from or disabled from the network.

We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

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

No exceptions noted in the procedures performed.

We were engaged by the Housing Authority of the Town of Jonesboro to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas

identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

The Vercher Group

Jena, Louisiana

March 16, 2024

Financial Data Schedule

Housing Authority of the Town of Jonesboro (LA061)
Jonesboro, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End:
09/30/2023

	Project Total	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$36,495	\$36,495	\$0	\$36,495
114 Cash - Tenant Security Deposits	\$25,870	\$25,870	\$0	\$25,870
100 Total Cash	\$62,365	\$62,365	\$0	\$62,365
122 Accounts Receivable - HUD Other Projects	\$12,690	\$12,690	\$0	\$12,690
126 Accounts Receivable - Tenants	\$5,426	\$5,426	\$0	\$5,426
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,162	-\$1,162	\$0	-\$1,162
128 Fraud Recovery	\$5,593	\$5,593	\$0	\$5,593
128.1 Allowance for Doubtful Accounts - Fraud	-\$839	-\$839	\$0	-\$839
129 Accrued Interest Receivable	\$5,351	\$5,351	\$0	\$5,351
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$27,059	\$27,059	\$0	\$27,059
131 Investments - Unrestricted	\$600,000	\$600,000	\$0	\$600,000
142 Prepaid Expenses and Other Assets	\$88,282	\$88,282	\$0	\$88,282
143 Inventories	\$10,843	\$10,843	\$0	\$10,843
143.1 Allowance for Obsolete Inventories	-\$1,084	-\$1,084	\$0	-\$1,084
150 Total Current Assets	\$787,465	\$787,465	\$0	\$787,465
161 Land	\$680,738	\$680,738	\$0	\$680,738
162 Buildings	\$8,980,538	\$8,980,538	\$0	\$8,980,538
163 Furniture, Equipment & Machinery - Dwellings	\$55,578	\$55,578	\$0	\$55,578
164 Furniture, Equipment & Machinery - Administration	\$338,990	\$338,990	\$0	\$338,990
166 Accumulated Depreciation	-\$7,390,400	-\$7,390,400	\$0	-\$7,390,400
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,665,444	\$2,665,444	\$0	\$2,665,444
174 Other Assets	\$967	\$967	\$0	\$967
180 Total Non-Current Assets	\$2,666,411	\$2,666,411	\$0	\$2,666,411
290 Total Assets and Deferred Outflow of Resources	\$3,453,876	\$3,453,876	\$0	\$3,453,876
312 Accounts Payable <= 90 Days	\$34,735	\$34,735	\$0	\$34,735
321 Accrued Wage/Payroll Taxes Payable	\$7,033	\$7,033	\$0	\$7,033
322 Accrued Compensated Absences - Current Portion	\$13,984	\$13,984	\$0	\$13,984
333 Accounts Payable - Other Government	\$45,190	\$45,190	\$0	\$45,190
341 Tenant Security Deposits	\$25,870	\$25,870	\$0	\$25,870
342 Unearned Revenue	\$6,268	\$6,268	\$0	\$6,268
345 Other Current Liabilities	\$12,690	\$12,690	\$0	\$12,690
346 Accrued Liabilities - Other	\$369	\$369	\$0	\$369
310 Total Current Liabilities	\$146,139	\$146,139	\$0	\$146,139
354 Accrued Compensated Absences - Non Current	\$14,535	\$14,535	\$0	\$14,535
350 Total Non-Current Liabilities	\$14,535	\$14,535	\$0	\$14,535
300 Total Liabilities	\$160,674	\$160,674	\$0	\$160,674
508.4 Net Investment in Capital Assets	\$2,665,444	\$2,665,444		\$2,665,444
512.4 Unrestricted Net Position	\$627,758	\$627,758		\$627,758
513 Total Equity - Net Assets / Position	\$3,293,202	\$3,293,202	\$0	\$3,293,202
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,453,876	\$3,453,876	\$0	\$3,453,876

Housing Authority of the Town of Jonesboro (LA061)
Jonesboro, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End:
09/30/2023

	Project Total	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$481,507	\$481,507	\$0	\$481,507
70400 Tenant Revenue - Other	\$22,346	\$22,346	\$0	\$22,346
70500 Total Tenant Revenue	\$503,853	\$503,853	\$0	\$503,853
70600 HUD PHA Operating Grants	\$729,839	\$729,839	\$0	\$729,839
70610 Capital Grants	\$308,645	\$308,645	\$0	\$308,645
71100 Investment Income - Unrestricted	\$7,799	\$7,799	\$0	\$7,799
71500 Other Revenue	\$67,319	\$67,319	\$0	\$67,319
70000 Total Revenue	\$1,617,455	\$1,617,455	\$0	\$1,617,455
91100 Administrative Salaries	\$171,249	\$171,249	\$0	\$171,249
91200 Auditing Fees	\$14,500	\$14,500	\$0	\$14,500
91400 Advertising and Marketing	\$250	\$250	\$0	\$250
91500 Employee Benefit contributions - Administrative	\$48,849	\$48,849	\$0	\$48,849
91600 Office Expenses	\$63,402	\$63,402	\$0	\$63,402
91700 Legal Expense	\$1,968	\$1,968	\$0	\$1,968
91800 Travel	\$11,590	\$11,590	\$0	\$11,590
91900 Other	\$35,334	\$35,334	\$0	\$35,334
91000 Total Operating - Administrative	\$347,142	\$347,142	\$0	\$347,142
92200 Relocation Costs	\$865	\$865	\$0	\$865
92400 Tenant Services - Other	\$1,408	\$1,408	\$0	\$1,408
92500 Total Tenant Services	\$2,273	\$2,273	\$0	\$2,273
93100 Water	\$1,446	\$1,446	\$0	\$1,446
93200 Electricity	\$19,095	\$19,095	\$0	\$19,095
93300 Gas	\$8,342	\$8,342	\$0	\$8,342
93600 Sewer	\$723	\$723	\$0	\$723
93000 Total Utilities	\$29,606	\$29,606	\$0	\$29,606
94100 Ordinary Maintenance and Operations - Labor	\$237,981	\$237,981	\$0	\$237,981
94200 Ordinary Maintenance and Operations - Materials and Other	\$172,086	\$172,086	\$0	\$172,086
94300 Ordinary Maintenance and Operations Contracts	\$184,962	\$184,962	\$0	\$184,962
94500 Employee Benefit Contributions - Ordinary Maintenance	\$85,895	\$85,895	\$0	\$85,895
94000 Total Maintenance	\$680,924	\$680,924	\$0	\$680,924
95200 Protective Services - Other Contract Costs	\$3,165	\$3,165	\$0	\$3,165
95300 Protective Services - Other	\$12,913	\$12,913	\$0	\$12,913
95000 Total Protective Services	\$16,078	\$16,078	\$0	\$16,078
96110 Property Insurance	\$143,364	\$143,364	\$0	\$143,364
96120 Liability Insurance	\$7,398	\$7,398	\$0	\$7,398
96130 Workmen's Compensation	\$11,645	\$11,645	\$0	\$11,645
96140 All Other Insurance	\$11,209	\$11,209	\$0	\$11,209
96100 Total insurance Premiums	\$173,616	\$173,616	\$0	\$173,616
96200 Other General Expenses	\$2,406	\$2,406	\$0	\$2,406
96210 Compensated Absences	\$23,784	\$23,784	\$0	\$23,784
96300 Payments in Lieu of Taxes	\$45,190	\$45,190	\$0	\$45,190

96400 Bad debt - Tenant Rents	\$12,541	\$12,541	\$0	\$12,541
96000 Total Other General Expenses	\$83,921	\$83,921	\$0	\$83,921
96720 Interest on Notes Payable (Short and Long Term)	\$15	\$15	\$0	\$15
96700 Total Interest Expense and Amortization Cost	\$15	\$15	\$0	\$15
96900 Total Operating Expenses	\$1,333,575	\$1,333,575	\$0	\$1,333,575
97000 Excess of Operating Revenue over Operating Expenses	\$283,880	\$283,880	\$0	\$283,880
97100 Extraordinary Maintenance	\$944	\$944	\$0	\$944
97400 Depreciation Expense	\$278,245	\$278,245	\$0	\$278,245
90000 Total Expenses	\$1,612,764	\$1,612,764	\$0	\$1,612,764
10010 Operating Transfer In	\$104,772	\$104,772	-\$104,772	\$0
10020 Operating transfer Out	-\$104,772	-\$104,772	\$104,772	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$4,691	\$4,691		\$4,691
11030 Beginning Equity	\$3,286,793	\$3,286,793	\$0	\$3,286,793
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$1,718	\$1,718	\$0	\$1,718
11190 Unit Months Available	2292	2292	0	2292
11210 Number of Unit Months Leased	2232	2232	0	2232
11270 Excess Cash	\$432,154	\$432,154		\$432,154
11620 Building Purchases	\$349,718	\$349,718		\$349,718