

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 2023
WITH SUPPLEMENTAL INFORMATION SCHEDULES

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM R. HULSEY
A PROFESSIONAL ACCOUNTING CORPORATION
2207 LIBERTY STREET
MONROE, LOUISIANA 71201

william@hulseyapac.com
(318) 362-9900
FAX (318) 362-9921

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the Parish of Caldwell
Columbia, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the business-type activities of Housing Authority of the Parish of Caldwell, as of and for the year ended March 31, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Housing Authority of the Parish of Caldwell, as of March 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

To the Board of Commissioners
Housing Authority of the Parish of Caldwell
Columbia, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 of the effectiveness of Housing Authority of the Parish of Caldwell's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Authority of the Parish of Caldwell's ability to continue as a going concern for a reasonable period of time.

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

To the Board of Commissioners
Housing Authority of the Parish of Caldwell
Columbia, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

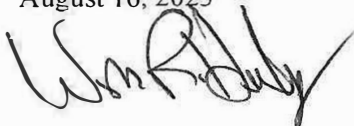
Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Housing Authority of the Parish of Caldwell's basic financial statements. The accompanying schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer and schedule of expenditures of federal awards, as required by Title 23 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the 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 the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer and the schedule of expenditures of federal awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 16, 2023 on my consideration of the Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Monroe, Louisiana
August 16, 2023



HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2023

As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended March 31, 2023. All amounts, unless otherwise indicated, are rounded to the nearest dollar.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent financial by \$1,743,752 (net assets). Of this amount, \$437,719 (unrestricted net assets) that may be used to meet the government's ongoing obligations to citizens and creditors.
- The net position of the low rent and capital fund decreased \$10,074 (.7%), due to increase in unit rehabs Net position of the Section 8 program increased \$62,849 (84%) increase in Housing Payment funds on hand and additional Mainstream program.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Housing Authority's financial statements. The Housing Authority's basic financial statements are comprised of two components. 1) Fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic statements themselves. The Housing Authority is a special purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Housing Authority are reported as propriety fund types.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consist of financial statements to show information about the Housing Authority's most significant funds-such as the Housing Authority's general fund, and tenant-based Section 8 funds.

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2023

Our auditors have provided assurance in their independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditors, regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to determine the level of assurance provided for each of the parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Housing Authority's enterprise funds use the following accounting approach:

Proprietary funds- All the Housing Authority's services are reported in enterprise funds. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$1,743,752 at March 31, 2023. Of this amount, \$1,286,077 was invested in capital assets, \$437,719 was unrestricted and \$19,956 restricted for HAP.

As we noted earlier, the Housing Authority uses funds to help control and manage money for purposes. The general fund is used to account for the public housing program. The Capital fund accounts for the capital funds program. The Section 8 Program Housing Choice Voucher program is accounted for separately. Congressional funding for CARES Act was provided for both programs and accounted for separately. Our analysis below focuses on the net assets and the change in net assets of the primary government as a whole.

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2023

The Statement of Net Position is presented in the format of assets, liabilities, and net position. The focus of the Statement of Net Position is to show the net position (assets less liabilities). Net position is broken down between:

- Net investments in Capital Assets – Capital Assets- (land, construction, or improvements) reduced by outstanding debt, if any.
- Restricted– Amounts restricted by a creditor, laws, or regulations.
- Unrestricted: Net position that does not meet the other definitions.

The Statement of Revenue, Expenses and Changes in Net Position represents Operating Revenues, (tenant revenues), Operating Expenses (administrative, utilities, maintenance, and depreciation) and Non-Operating Revenues and Expenses, (grant revenues, investment income and interest expense). The Change in Net Position represents the Housing Authority's profit or loss.

Statement of Net Position			
Year Ended March 31, 2023			
(in thousands)			
	2023	2022	Variance
ASSETS			
Current Assets	\$ 523,045	\$ 541,760	-18,715
Restricted assets	19,956	0	19,956
Capital assets, net	<u>1,286,077</u>	<u>1,215,287</u>	70,790
Total Assets	<u>1,829,078</u>	<u>1,757,047</u>	72,031
LIABILITIES			
Current Liabilities	62,652	44,275	18,377
Non-current liabilities	<u>22,674</u>	<u>21,795</u>	879
Total Liabilities	85,326	66,070	19,256
NET ASSETS			
Net investment in capital assets	1,286,077	1,215,287	70,790
Restricted	19,956	0	19,956
Unrestricted	<u>437,719</u>	<u>475,690</u>	-37,971
Total Net Position	<u>1,743,752</u>	<u>1,690,977</u>	52,775
Total Liabilities and Total Net Position	1,829,078	1,757,047	72,031

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2023

Statement of Revenues, Expenses And Changes in Net Position 'Year Ended March 31, 2023 (in thousands)			
	2023	2022	Variance
<u>OPERATING REVENUES</u>	\$	\$	
Tenant Revenue	263,183	242,173	21,010
Other Income	34,254	25,100	9,154
Total Operating Revenue	297,437	267,273	30,164
<u>OPERATING EXPENSES</u>			
Administration	326,385	282,064	44,321
Tenant Services	0	0	0
Utilities	89,510	83,806	5,704
Ordinary maintenance & operations	366,938	165,271	201,667
Protective Services	628	1,627	-999
General	181,759	143,209	38,550
Housing Assistance Payments	684,976	630,486	54,490
Depreciation	137,166	124,510	12,656
Total operating expenses	1,787,362	1,430,973	356,389
Income (loss) from Operations	-1,489,925	1,163,700	-326,225
<u>NON OPERATING REVENUES</u>			
Other Government Funds		0	0
Federal grants- operating	1,334,744	1,177,086	157,658
Federal grants- capital	207,956	224,519	-16,563
Total Non-operating revenues	1,542,700	1,401,605	141,095
Net Change in Position	52,775	237,905	-185,130
Net Position at beginning of year	1,690,977	1,453,072	237,905
Net Position at end of year	1,743,752	1,690,977	52,775

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2023

Total revenues increased \$248,789 (16%) mainly due to:

- Decrease in Other income \$9,154 (36.50%) due increase in Portable units
- Increase in Rental Income \$21,010 for higher rents.
- Decrease in HUD Capital Funding \$16,563(7.40%) due to PHA decrease in Unit Capital improvements for paid from CFP.
- Increase in Operating Grants \$157,658 13.4%) due to increase in HUD HAP funding for additional Mainstream program.

Total operating Expenses increased \$356,389 (24.9%) mainly due to:

- Increase in Administrative expenses \$44,321 (15.7%) in salary increases per Civil Service and overtime paid. Increase in matching employee benefits.
- Increase in Maintenance expenses \$201,667 (122%) increase in Maintenance contract costs for unit rehabilitation work done.
- Increase in General Expenses \$38,550 (8.6%) due to increase in property insurance rates.
- Increase in Housing Assistance payment \$54,490 (52.6%) due increase in of leasing with new Mainstream Program and increased HCV payment standards.

Net Position therefore increase by 3.10 % Hap funding increase.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At March 31, 2023 the Housing Authority had \$1,286,077 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$70,790 or 5.80%) from continued capital improvements.

Capital Assets	
Year Ended March 31,	
2023	
(Net of Depreciation)	
Land	\$ 75,495
Buildings	1,117,255
Leasehold Improvements	0
Furniture and equipment	93,328
Construction in Progress	0
Total	1,286,077

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2023

Capital Expenditures of \$207,956 were added from the Capital Fund. This was offset with depreciation of \$137,166.

Major capital projects planned for March 31, 2024, include capital funding of at least \$330,000 of budgeted projects.

No debt was issued for these additions.

Debt

The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations. Accrued annual leave is available to Housing Authority employees.

ECONOMIC FACTORS

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The budgets for March 31, 2024, have already been complete and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable although funding has increased over the years. Capital funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

The Section 8 program is mainly affected by the federal budgets as well as by the rental market of the community, which it serves. This can affect the number of families leased to as well as the Housing Assistance Payments paid by the Housing Authority.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have any questions about this report or wish to request additional financial information, contact Rhonda Ratcliff, Executive Director, at the Housing Authority of the Caldwell Parish, 103 North Alvin ST, Columbia, LA 71418, telephone number (318)-649-0686.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
STATEMENT OF NET POSITION
YEAR ENDED MARCH 31, 2023

	General Fund	Housing Choice Vouchers	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 338,352	\$ 138,417	\$ 476,769
Cash and cash equivalents - restricted	-	-	-
Accounts receivable, net	6,938	-	6,938
Accounts receivable - HUD	46,023	3,994	50,017
Accounts receivable - HUD other projects	-	-	-
Accounts receivable - miscellaneous	-	-	-
Inventory	835	-	835
Prepaid expenses and other assets	8,442	-	8,442
Interprogram due from	-	-	-
Total Current assets	400,590	142,411	543,001
Noncurrent assets:			
Capital Assets:			
Non-depreciable	75,495	-	75,495
Depreciable	1,210,167	415	1,210,582
Total assets	1,686,252	142,826	1,829,078
LIABILITIES			
Current liabilities:			
Accounts payable	18,769	695	19,464
Accrued payroll taxes payable	4,181	-	4,181
Compensated absences payable	7,913	829	8,742
Deposits due others	26,045	-	26,045
Deferred credits and other liabilities	4,221	-	4,221
Interprogram due to	-	-	-
Total Current liabilities	61,129	1,524	62,653
Non-current liabilities:			
Due in more than one year			
Compensated absences	19,367	3,307	22,674
Total liabilities	80,496	4,831	85,327
Net Position			
Net investment in capital assets	1,285,662	415	1,286,077
Restricted for:			
Housing assistance payments	-	19,956	19,956
Unrestricted	320,094	117,624	437,718
Total net position	\$ 1,605,756	\$ 137,995	\$ 1,743,751

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

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2023

	Expenses	Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Function activities					
General fund - low rent	\$ -	\$ 263,183	\$ 537,114	\$ -	\$ 834,551
Administration	326,385				(326,385)
Tenant services	-				-
Protective services	628				(628)
Utilities	89,510				(89,510)
Maintenance and operations	366,938				(366,938)
General expenses	24,186				(24,186)
Insurance	157,573				(157,573)
Depreciation	137,167				(137,167)
Non Operating Capital Contributions	-			207,956	207,956
Casualty losses	-				-
Housing choice vouchers					
HAP payments	684,976		797,630		112,654
Total	<u>\$ 1,787,363</u>	<u>\$ 263,183</u>	<u>\$ 1,334,744</u>	<u>\$ 207,956</u>	<u>52,774</u>
			General revenues		<u>-</u>
			Change in net position		52,774
			Net position - beginning		1,690,977
			Prior period adjustment		<u>-</u>
			Net position - ending		<u>\$ 1,743,751</u>

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

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2023

	General Fund	Housing Choice Vouchers	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 263,153	\$ -	\$ 263,153
Other receipts	1,458	-	1,458
Payments to HUD	-	-	-
Other revenues (expenses)	-	34,254	34,254
Federal grants	537,114	770,025	1,307,139
Federal capital grants	207,956	-	207,956
HAP Payments	-	(602,483)	(602,483)
Payments to vendors	(479,131)	(71,007)	(550,138)
Payments to employees - net	(228,971)	(39,158)	(268,129)
	301,579	91,631	393,210
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Insurance proceeds	-	-	-
	-	-	-
Net cash provided by non- capital financing activities	-	-	-
CASH FLOWS FROM CAPTIAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(207,957)	-	(207,957)
Interprogram due to / from	-	-	-
Capital Asset Deletions	-	-	-
	(207,957)	-	(207,957)
Net cash provided (used) by capital and related financing activities	(207,957)	-	(207,957)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	-	-
	-	-	-
Net cash provided by interest income net of purchase of investment	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	93,622	91,631	185,253
CASH AND CASH EQUIVALENTS			
Beginning of fiscal year	244,730	46,786	291,516
End of fiscal year	\$ 338,352	\$ 138,417	\$ 476,769

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

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2023

	General Fund	Housing Choice Vouchers	Total
RECONCILIATION OF OPERATING			
INCOME (LOSS) TO NET CASH PROVIDED			
(USED) BY OPERATING ACTIVITIES:			
Operating Income	\$ 6,511	\$ 62,849	\$ 69,360
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	136,613	554	137,167
Allowance for doubtful accounts	-	-	-
Change in assets and liabilities:			
Receivables	(1,428)	-	(1,428)
Accounts receivable - HUD	137,575	34,599	172,174
Accounts receivable - HUD other projects	-	-	-
Accounts receivable - miscellaneous	-	-	-
Inventories	(205)	-	(205)
Prepaid items	3,353	-	3,353
Accounts payable	14,353	465	14,818
Accrued expenses	1,239	-	1,239
Compensated absences	1,060	127	1,187
Deferred revenue	2,508	(4,113)	(1,605)
Deposits Due to Others	-	(2,850)	(2,850)
	<u>\$ 301,579</u>	<u>\$ 91,631</u>	<u>\$ 393,210</u>
Net cash used by operating activities	<u>\$ 301,579</u>	<u>\$ 91,631</u>	<u>\$ 393,210</u>

RECONCILIATION OF CASH AND RESTRICTED CASH
REPORTED WITH THE BALANCE SHEET THAT SUM
TO THE TOTAL OF THE SAME SUCH AMOUNTS IN
THE STATEMENT OF CASH FLOWS

Cash and Cash Equivalents	\$ 312,307	\$ 138,417
Tenants' Security Deposits	26,045	-
	<u>\$ 338,352</u>	<u>\$ 138,417</u>
Total Cash and Restricted Cash	<u>\$ 338,352</u>	<u>\$ 138,417</u>

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

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

INTRODUCTION

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary housing and related facilities for eligible low-income families and the elderly. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five-member Board of Commissioners. The members serve a staggered term of four years.

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-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of Housing Units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority participates in Section 8 housing assistance payment programs. The rental certificate and moderate rehabilitation programs provide assistance to low-income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under these two programs, the Housing Authority enters into housing assistance payment contracts with landlords. Section 8 Rental Voucher Program, another Section 8 housing assistance program, provides assistance to low-income families. The program provides for a voucher which can be used by the tenant to pay rent to any landlord he chooses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Housing Authority of the Parish of Caldwell have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting Entity

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 separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, and (4) the authority to issue debt, the Housing Authority is a separate governmental reporting entity. Based on the foregoing criteria, no entities were identified as component units of the Authority.

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

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the Housing Authority to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Housing Authority.
2. Organizations for which the Housing Authority does not appoint a voting majority but are fiscally dependent on the Housing Authority.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds

The accounts of the Housing Authority are organized and operated in the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary Enterprise Fund. The general fund accounts for the transactions of the Public Housing Low Rent and the Capital Fund program. The Housing Choice Voucher fund accounts for the Section 8 Housing Choice Voucher program.

Measurement Focus and Basis of Accounting

Proprietary Funds - Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenue are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments. All revenues and expenses not meeting this definition, are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The following practices in recording revenues and expenses are used:

Revenues

Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenses have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the Housing Authority.

Expenses

Salaries are recorded as expenses when incurred.

Purchases of various operating supplies are recorded as expenses in the accounting period they are consumed.

Principal and interest on debt are recognized when incurred.

Substantially all other expenses are recognized when the related fund liability has been incurred.

Deferred Revenues

The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenses. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

Annual budgets are prepared. Periodic comparison reports are prepared and actual expenses are compared to budgeted amounts. These reports are prepared to assist management in controlling the day-to-day operation of the Housing Authority.

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program and the Section 8 Programs. Annual budgets are not required for CIAP grants as their budgets are approved for the length of the project.

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Doubtful Accounts

The allowance for doubtful accounts is determined on information available at the time which would indicate the uncollectibility of the accounts receivable.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Fixed Assets

Fixed assets are recorded at the time they are purchased or constructed, and the related assets are capitalized. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized.

Tenant Receivables

Receivables for rentals and services charges are reported on the balance sheet, net of allowance for doubtful accounts.

Compensated Absences

Employees earn annual leave based upon years of services, and may accrue up to 300 hours. Sick time is earned but not accrued since it is dependent upon a future event. Upon termination all accrued vacation time is paid. At March 31, 2023, the CPHA had a liability of \$31,416, of which \$8,742 is current. Only the increase is recognized as a current year expense in these financial statements.

Reserves

Reserves represent those portions of fund equity not appropriable for expenses or legally segregated for a specific future use.

Income Taxes

No provision is made for income taxes since the Housing Authority of the Parish of Caldwell is a governmental entity in the State of Louisiana.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Position

Net position is reported as restricted when constraints placed on net position are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted resources are used first when an expense is incurred for purposes which both restricted and unrestricted net position is available.

NOTE 2 – USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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, expenses and other financing sources and uses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 3 - CASH AND CASH EQUIVALENTS

At March 31, 2023, the Housing Authority had cash and cash equivalents totaling \$476,769 as follows:

Cash on hand	\$	50
Carrying amount of deposits		476,719
 Total	 \$	 <u>476,769</u>
 Cash and cash equivalents	 \$	 430,768
Cash and cash equivalents - restricted		46,001
 Total	 \$	 <u>476,769</u>

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

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: The Housing Authority's policy does not address credit rate risk.

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of March 31, 2023, the Housing Authority bank balance was \$497,961 of which all is insured by FDIC insurance. There are also pledged securities in the amount of \$287,645 which are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 which imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon request. The Housing Authority's policy does not address custodial credit risk.

NOTE 4 – ACTIVITIES OF THE PHA

At March 31, 2023, the CPHA was managing 123 units of low-rent in one project under Program FW-2063 and 118 units of Section 8 under Program FW-2124.

NOTE 5 - RECEIVABLES

The receivables at March 31, 2023 are as follows:

Local Sources:		
Tenants	\$ 10,292	
Less: Allowance for doubtful accounts	<u>(3,354)</u>	
Total Accounts Receivable – Tenants		\$ 6,938
Accounts Receivable – Miscellaneous		
Federal sources:		
Accounts Receivable – HUD PHA Projects	\$ -	
- HUD	<u>50,017</u>	
Total Accounts Receivable - HUD		50,017
Accounts Receivable – Other		<u>-</u>
TOTAL RECEIVABLES		<u>\$ 56,955</u>

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 6 - INVENTORY

Inventory consists of maintenance supplies. All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

NOTE 7 - FIXED ASSETS

As stated in Note 1, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

Site improvements	15 Years
Building	33 Years
Buildings improvements	15 Years
Nondwelling structures	15 Years
Equipment	3 to 7 Years

The changes in general fixed assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 75,495	\$ -	\$ -	\$ 75,495
Building and improvements	5,939,433	190,625	-	6,130,058
Leasehold improvements	951,402	-	-	951,402
Furniture, equipment and machinery	394,800	17,332	-	412,132
Sub-total	7,361,130	207,957	-	7,569,087
Accumulated Depreciation	6,145,843	137,167	-	6,283,010
Total	<u>\$1,215,287</u>	<u>\$ 70,790</u>	<u>\$ -</u>	<u>\$1,286,077</u>

Depreciation expense was \$137,167 for the year ended March 31, 2023.

NOTE 8 - SECURITY DEPOSIT ACCOUNT

At March 31, 2023, the security deposit account had a balance of \$26,045 and tenant security deposits totaled \$26,045.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 9 - DEFERRED COMPENSATION PLAN

The Housing Authority of the Parish of Caldwell offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Housing Authority of the Parish of Caldwell employees, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefits of the plan participants.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The entity is subject to possible examinations 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 refund by the entity to federal grantors and/or program beneficiaries.

According to the District Attorney's office, there was no pending or threatened litigation at March 31, 2023.

NOTE 11 - 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.

NOTE 12 - PENSION PLAN

The Housing-Renewal and Local Agency Retirement Plan was formed effective January 1, 1970 under an agreement between the Metropolitan Development and Housing Agency, Nashville, Tennessee (formerly the Nashville Housing Authority) as sponsoring employer and certain trustees for the purpose of establishing a retirement system providing benefits for employees of the sponsoring employer and such other employers as may elect to participate in the Plan. In addition to retirement benefits, the Plan provides certain benefits for those members who die or become disabled prior to retirement.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 12 - PENSION PLAN (Continued)

From the effective date, the Plan Administrator has been William M. Mercer, Inc.

All contributions into and disbursements from the trust fund flow through the trust department of the custodial bank, P.N.C. Bank of Kentucky. All financial transactions of the trust are recorded daily. Distribution instructions may only be made by the Plan Administrator. The individual trustees neither receive contributions nor implement disbursements. Asset and individual participant account balances are updated and reconciled monthly by the Plan Administrator.

Plan Description

The Plan is a defined contribution retirement plan covering essentially all employees of the various participating employers. Since the participating employers are all governmental units, the Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, except for the contribution limitations of Section 415.

The Plan and Trust are qualified under Section 401(a) of the Internal Revenue Code and their income is exempt from taxation under Section 501(a) of the Code.

The Plan is funded by employer contributions and in some cases, employee contributions. The rates of contributions are determined by the various joinder agreements of the participating employers.

Terminated or retiring participants are entitled to certain benefits including the full amount of their contributions to the Plan as well as earnings on their contributions. In addition to the amount of their contribution, each participant is entitled to the portion of the employer's contributions in which he or she has a vested interest. Vesting provisions are determined in accordance with the participating employers' joinder agreement. If a participating employee shall be determined to be totally and permanently disabled, or if an active participating employee should die prior to retirement, or a participant upon attaining normal retirement age as specified in the employer's joinder agreement, then the employee or their designated beneficiary shall be entitled to the full value of the participant's account. Benefits are payable in the form of lump sum cash settlements or purchased annuities, depending upon the election of the participant. Effective January 1, 1989 the non-vested portion of a terminated participants' account which arose prior to January 1, 1989, will be used first to pay the administrative expense of the plan and the balance to reduce the employer contributions in succeeding plan years.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 12 - PENSION PLAN (Continued)

The non-vested portion of a terminated participant's account, which arose after January 1, 1989, shall be applied in the same manner as pre-January 1, 1989 amounts. However, for any forfeitures remaining as of the December 31 monthly valuation date after payment of the applicable employer's expenses, the employer may elect in its Joinder Agreement to have those forfeitures returned to the housing authority. The total amount of assets for the plan year ended March 31, 2023, was \$626,225.

If the Plan is terminated or contributions under the Plan are discontinued, the participating employees are entitled to benefits accrued to the date of such termination or discontinuance to the extent funded and/or to the amounts credited to the employees' accounts.

Funding Policy

The Housing Authority's total payroll for the year ended March 31, 2023 was \$226,644 of which \$183,145 was the covered payroll for employees in the Housing - Renewal and Local Agency Retirement Plan. The Housing Authority contributes 14.5%. The Housing Authority has 4 employees covered under this retirement system. The contribution requirement was \$3,356 all of which was the employers' portion.

NOTE 13 – ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 16, 2023, which is the day the financial statements were available to be issued, and it has been determined that the significant events have occurred for disclosure.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING
STANDARDS* AND BY OFFICE OF MANAGEMENT AND BUDGET
UNIFORM GUIDANCE
SUPPLEMENTAL INFORMATION

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM R. HULSEY
A PROFESSIONAL ACCOUNTING CORPORATION
2207 LIBERTY STREET
MONROE, LOUISIANA 71201

william@hulseyapac.com
(318) 362-9900
FAX (318) 362-9921

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

To the Board of Directors
Housing Authority of the Parish of Caldwell
Columbia, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Housing Authority of the Parish of Caldwell, as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Parish of Caldwell's basic financial statements, and have issued my report thereon dated August 16, 2023.

Internal Control Over Financial Reporting

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

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


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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of 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 information is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



WILLIAM R. HULSEY CPA
Certified Public Accountant

August 16, 2023

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM R. HULSEY
A PROFESSIONAL ACCOUNTING CORPORATION
2207 LIBERTY STREET
MONROE, LOUISIANA 71201

william@hulseyapac.com
(318) 362-9900
FAX (318) 362-9921

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

To the Board of Commissioners
Housing Authority of Caldwell Parish
Columbia, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited the Housing Authority of Caldwell Parish's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended March 31, 2023. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In my opinion, the Housing Authority of Caldwell Parish 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 March 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

To the Board of Commissioners
Housing Authority of Caldwell Parish
Columbia, Louisiana

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Authority of Caldwell Parish's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the Housing Authority of Caldwell Parish's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Caldwell Parish's internal control over compliance. Accordingly, not such opinion is expressed.

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

Report on Internal Control over Compliance

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

To the Board of Commissioners
Housing Authority of Caldwell Parish
Columbia, Louisiana

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

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

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

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

WILLIAM R. HULSEY, CPA
Certified Public Accountant



August 16, 2023

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

<u>Federal Grantor/Pass Through Grantor/Program Name</u>	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>Program/ Award Amount</u>
U.S. Department of Housing and Urban Development			
Direct programs:			
Public Housing Capital Fund	14.872	LA-48P12550121	\$ 267,825
Housing Choice Voucher	14.871	LA-125	611,763*
Low Rent Public Housing	14.850	LA-125000001	477,245*
Mainstream Vouchers	14.879		<u>185,867</u>
Total Expenditures of Federal Awards			<u>\$ 1,542,700</u>

*- Denotes major program

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the Parish of Caldwell. 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 government agencies, are included on the schedule.

NOTE 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.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

Governmental operating grants	\$ 1,274,875
Capital grants	267,825
	<hr/>
Total	\$ 1,542,700
	<hr/> <hr/>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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 accounting principles generally accepted in the United States of America.

NOTE 5 – DE MINIMIS INDIRECT COST RATE

The Housing Authority did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2023

Section I- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant Deficiency (ies) identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant Deficiency (ies) identified that are not considered to be material weakness (es)?	None Reported

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
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The programs tested as major programs include:
 CFDA# 14.871 Housing Choice Voucher Program
 CFDA# 14.850 Low Rent Public Housing

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2023

Section II- Financial Statement Findings

No matters were reported.

Section III- Federal Award Findings and Questioned Costs

No matters were reported.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2023

PRIOR YEAR AUDIT FINDINGS

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
 COLUMBIA, LOUISIANA
 SUPPLEMENTAL INFORMATION SCHEDULES
 FOR THE YEAR ENDED MARCH 31, 2023

Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head,
 Political Subdivision Head, or Chief Executive Officer

Rhonda Ratcliff, Executive Director

Purpose:	
Salary	\$ 115,092
Benefits – Insurance	31,159
Benefits – Retirement	17,357
Benefits – Dental	-
Travel Reimbursements	-
Registration Fees	-
Auto	-
Vehicle Provided	-
Total	<u>\$ 163,608</u>

GENERAL

Compensation Paid To Board Members

The members of the Board of Commissioners serve without compensation.

Federal Financial Awards Programs

In accordance with the Uniform Guidance, a schedule of expenditures of federal awards is presented.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
 COLUMBIA, LOUISIANA
 STATEMENT OF MODERNIZATION COSTS - COMPLETE
 YEAR ENDED MARCH 31, 2023

CASH BASIS

		<u>CAPITAL FUND</u> 2022
Funds approved	\$	328,183
Funds expended		<u>328,183</u>
Excess of funds approved	\$	<u><u>-</u></u>

STATEMENT OF MODERNIZATION COSTS - UNCOMPLETE
 YEAR ENDED MARCH 31, 2022

CASH BASIS

		<u>CAPITAL FUND</u> 2021
Funds approved	\$	269,176
Funds expended		<u>269,176</u>
Excess of funds approved	\$	<u><u>-</u></u>

Housing Authority of the Parish of Caldwell
Financial Data Schedule
For the Year Ended March 31, 2023

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8 Housing Choice Vouchers	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
111	Cash - unrestricted	312,307	-	118,461	-	-	-	430,768
113	Cash - other restricted	-	-	19,956	-	-	-	19,956
114	Cash - tenant security deposits	26,045	-	-	-	-	-	26,045
100	Total Cash	338,352	-	138,417	-	-	-	476,769
121	Accounts receivable - PHA Projects	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	46,023	-	3,994	-	-	-	50,017
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-
126	Accounts receivable- tenants - dwelling rents	10,292	-	-	-	-	-	10,292
126.1	Allowance for doubtful accounts - dwelling rents	(3,354)	-	-	-	-	-	(3,354)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	52,961	-	3,994	-	-	-	56,955
131	Investments- unrestricted	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	8,442	-	-	-	-	-	8,442
143	Inventories	835	-	-	-	-	-	835
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-
150	Total current assets	400,590	-	142,411	-	-	-	543,001
161	Land	75,495	-	-	-	-	-	75,495
162	Buildings	6,130,058	-	-	-	-	-	6,130,058
163	Furniture, equipment & machinery - dwellings	263,236	-	-	-	-	-	263,236
164	Furniture, equipment & machinery - administration	145,801	-	3,095	-	-	-	148,896
165	Leasehold improvements	951,402	-	-	-	-	-	951,402
166	Accumulated depreciation	(6,280,330)	-	(2,680)	-	-	-	(6,283,010)
167	Construction in progress	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	1,285,662	-	415	-	-	-	1,286,077
180	Total Non-Current Assets	1,285,662	-	415	-	-	-	1,286,077
290	Total Assets	1,686,252	-	142,826	-	-	-	1,829,078

Housing Authority of the Parish of Caldwell
Financial Data Schedule
For the Year Ended March 31, 2023

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8 Housing Choice Vouchers	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
311	Bank Overdraft	-	-	-	-	-	-	-
312	Accounts payable < 90 days	18,769	-	695	-	-	-	19,464
321	Accrued wage/payroll taxes payable	4,181	-	-	-	-	-	4,181
322	Accrued compensated absences- current	7,913	-	829	-	-	-	8,742
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
333	Accounts payable - Other Government	-	-	-	-	-	-	-
341	Tenant security deposits	26,045	-	-	-	-	-	26,045
342	Deferred revenue - other	4,221	-	-	-	-	-	4,221
346	Accrued liabilities- other	-	-	-	-	-	-	-
347	Interprogram due to	-	-	-	-	-	-	-
310	Total current liabilities	61,129	-	1,524	-	-	-	62,653
354	Accrued compensated absences- noncurrent	19,367	-	3,307	-	-	-	22,674
353	Other noncurrent liabilities	-	-	-	-	-	-	-
350	Total noncurrent liabilities	19,367	-	3,307	-	-	-	22,674
300	Total liabilities	80,496	-	4,831	-	-	-	85,327
504	Net HUD PHA contributions	-	-	-	-	-	-	-
508	Total contributed capital	-	-	-	-	-	-	-
508.4	Invested in Capital Assets, Net of Related Debt	1,302,247	-	415	-	-	-	1,302,662
511	Total reserved fund balance	-	-	-	-	-	-	-
511.4	Restricted net position	-	-	-	-	-	-	-
512.4	Unrestricted net position	320,095	-	117,624	-	-	-	437,719
513	Total equity-net assets/position	1,605,756	-	137,995	-	-	-	1,743,751
600	Total liabilities and equity/net assets	1,686,252	-	142,826	-	-	-	1,829,078

Housing Authority of the Parish of Caldwell
 Financial Data Schedule
 For the Year Ended March 31, 2023

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8 Housing Choice Vouchers	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
70300	Net tenant rental revenue	261,725	-	-	-	-	-	261,725
70400	Tenant revenue - other	1,458	-	-	-	-	-	1,458
70500	Total tenant revenue	263,183	-	-	-	-	-	263,183
70600	HUD PHA operating grants	477,245	59,869	797,630	-	-	-	1,334,744
70610	Capital grants	-	207,956	-	-	-	-	207,956
71100	Investment income - unrestricted	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-
71500	Other revenue	7,502	-	26,752	-	-	-	34,254
71600	Gain/loss on sale of fixed assets	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-
70000	Total revenue	747,930	267,825	824,382	-	-	-	1,840,137

Housing Authority of the Parish of Caldwell
Financial Data Schedule
For the Year Ended March 31, 2023

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8 Housing Choice Vouchers	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
91100	Administrative salaries	138,912	-	38,000	-	-	-	176,912
91200	Auditing fees	15,300	-	2,950	-	-	-	18,250
91300	Bookkeeping fee	-	-	-	-	-	-	-
91400	Advertising and marketing	42	-	-	-	-	-	42
91500	Employee benefit contributions- administrative	55,260	-	11,522	-	-	-	66,782
91600	Office expenses	41,759	-	12,209	-	-	-	53,968
91700	Legal	-	-	-	-	-	-	-
91800	Travel	1,726	-	435	-	-	-	2,161
91900	Other	5,006	-	3,264	-	-	-	8,270
92100	Tenant services - salaries	-	-	-	-	-	-	-
92300	Tenant services - employee benefit contributions	-	-	-	-	-	-	-
92400	Tenant services - other	-	-	-	-	-	-	-
93100	Water	38,568	-	-	-	-	-	38,568
93200	Electricity	14,936	-	-	-	-	-	14,936
93300	Gas	882	-	-	-	-	-	882
93600	Sewer	35,124	-	-	-	-	-	35,124
93800	Other utilities expense	-	-	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	49,732	-	-	-	-	-	49,732
94200	Ordinary maintenance and operations - materials and other	78,867	-	-	-	-	-	78,867
94300	Ordinary maintenance and operations - contract costs	218,923	-	-	-	-	-	218,923
94500	Employee benefit contributions - ordinary maintenance	19,416	-	-	-	-	-	19,416
95200	Protective services - other contract costs	628	-	-	-	-	-	628
96110	Property insurance	118,140	-	-	-	-	-	118,140
96120	Liability insurance	6,181	-	1,545	-	-	-	7,726
96130	Workmen's Compensation	18,024	-	2,593	-	-	-	20,617
96450	All other insurance	8,889	-	2,201	-	-	-	11,090
96200	Other general expenses	3,236	-	1,125	-	-	-	4,361
96210	Compensated absences	1,059	-	159	-	-	-	1,218
96400	Bad debts - tenant rents	18,607	-	-	-	-	-	18,607
96900	Total operating expenses	889,217	-	76,003	-	-	-	965,220
97000	Excess Operating Revenues over Operating Expenses	(141,287)	267,825	748,379	-	-	-	874,917
97100	Extraordinary Maintenance	-	-	-	-	-	-	-
97200	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	661,339	-	-	-	661,339
97350	HAP portability-in	-	-	23,637	-	-	-	23,637
97400	Depreciation expense	135,481	1,132	554	-	-	-	137,167
90000	Total expenses	1,024,698	1,132	761,533	-	-	-	1,787,363
10010	Operating transfers in	-	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-
10000	Excess (deficiency) of operating revenue over (under) expenses	(276,768)	266,693	62,849	-	-	-	52,774

Housing Authority of the Parish of Caldwell
Financial Data Schedule
For the Year Ended March 31, 2023

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
				Housing Choice Vouchers				
11020	Required annual debt principal payments	-	-	-	-	-	-	-
11030	Beginning equity	1,615,831	-	75,146	-	-	-	1,690,977
11040	Prior period adjustments, equity transfers and correction of errors	-	-	-	-	-	-	-
11050	Change in compensated absence balance	-	-	-	-	-	-	-
11060	Depreciation "add back"	-	-	-	-	-	-	-
11070	Maximum annual contributions commitment (per ACC)	-	-	-	-	-	-	-
11080	Prorata maximum annual contributions applicable to a	-	-	-	-	-	-	-
11090	period of less than twelve months	-	-	-	-	-	-	-
11100	Contingency reserve, ACC program reserve	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	87,933	-	-	-	87,933
11180	Housing assistance payments equity	-	-	16,324	-	-	-	16,324
11190	Unit months available	1,392	-	1,758	-	-	-	3,150
11210	Number of unit months leased	1,367	-	1,729	-	-	-	3,096
11270	Excess cash	256,083	-	-	-	-	-	256,083
11620	Building purchases	-	190,624	-	-	-	-	190,624
11630	Furniture & equipment - dwelling purchases	-	14,343	-	-	-	-	14,343
11640	Furniture & equipment - administrative purchases	-	2,988	-	-	-	-	2,988
11650	Leaschold improvements purchases	-	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM R. HULSEY
A PROFESSIONAL ACCOUNTING CORPORATION
2207 LIBERTY STREET
MONROE, LOUISIANA 71201

william@hulseypac.com
(318) 362-9900
FAX (318) 362-9921

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Housing Authority of the Parish of Caldwell, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Housing Authority of the Parish of Caldwell, Louisiana (the Entity) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period April 1, 2022 through March 31, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

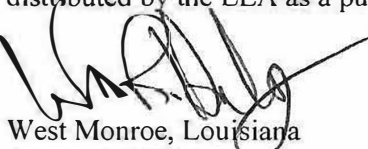
Housing Authority of the Parish of Caldwell, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period April 1, 2022 through March 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

We were engaged by the Housing Authority of the Parish of Caldwell, Louisiana 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 Parish of Caldwell, Louisiana 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.


West Monroe, Louisiana
August 16, 2023

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. **Payroll/Personnel**, including (1) payroll processing, (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.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
 - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. **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.
 - xii. **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.

No exceptions noted.

2) Board or Finance Committee

- A. 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
- i. 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. 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.
 - iv. 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.

This section not applicable.

3) Bank Reconciliations

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

There is no evidence that a member of management with no involvement in the transactions associated with the bank accounts has reviewed each bank reconciliation.

4) Collections (excluding electronic funds transfers)

- A. 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).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

All collections are done at one location, the Housing Authority's office in Columbia, LA. There is only one employee that handles all aspects of the accounting process and she is bonded. That employee receives the checks and all cash received and makes the deposit. A copy of the check received is made and put in the file and sequentially numbered receipts are used. No cash is accepted.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. 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).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. 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.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

A listing of disbursements was obtained and from that, 25 disbursements were randomly selected. Purchase orders are used in purchasing and there is no approval on the invoices, but they are presented each month to the Board at their monthly meetings for approval. There is only one

employee in charge of all areas of the accounting function. This employee can add vendors to the computer system and has signatory authority. She maintains blank checks in a locked filing cabinet and no signature stamp is used.

6) *Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)*

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. 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
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

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

- A. 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 and 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
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

- iii. 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 Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The Housing Authority does not pay reimbursements for travel, but pays a set amount of \$100 per day to the employee for travel and pay any hotel fees directly to the hotel.

8) Contracts

- A. 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. *Alternatively, 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
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. 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.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) Debt Service

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

This section not applicable.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the

misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

- B. 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.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
 - i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.
- B. 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).
- C. 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 the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;

- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

No exceptions noted.