

**Housing Authority of the  
CITY OF OPELOUSAS**  
Opelousas, Louisiana

**Annual Financial Report  
As of and for the Year Ended June 30, 2019**

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**  
 Opelousas, Louisiana  
 Basic Financial Statements  
 As of and for the Year Ended June 30, 2019  
 With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
<b>Independent Auditor’s Report</b>		3
<b>Required Supplementary Information</b>		
Management’s Discussion and Analysis		6
<b>Basic Financial Statements:</b>		
Statement of Net Position	A	9
Statement of Revenues, Expenses and Changes in Net Position	B	10
Statement of Cash Flows	C	11
Notes to the Financial Statements		12
<b>Supplementary Information</b>		
Financial Data Schedule		22
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer		27
Statement and Certification of Actual Modernization Cost		28
Agreed-Upon Procedures Report		29
<b>Other Reports Required by <i>Government Auditing Standards</i> and OMB Uniform Guidance:</b>		
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 <i>Government Auditing Standards</i>		39
Independent Auditor’s Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance		41
Schedule of Expenditures of Federal Awards		44
Schedule of Current Year Findings and Questioned Costs		46
<b>Other Information</b>		
Schedule of Prior Audit Findings		50
Corrective Action Plan for Current Year Findings		51
Schedule of Compensation Paid Board Members		52

**William Daniel McCaskill, CPA**  
A Professional Accounting Corporation  
415 Magnolia Lane  
Mandeville, Louisiana 70471

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Telephone 866-829-0993  
Fax 225-570-1362  
E-mail [danny@highperformer.net](mailto:danny@highperformer.net)

Member of  
Louisiana Society of CPA's  
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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
**Housing Authority of the City of Opelousas**  
Opelousas, Louisiana

**Report on the Financial Statements**

I have audited the accompanying financial statements of the Housing Authority of the City of Opelousas (the authority) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

## **HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

Opelousas, Louisiana

Independent Auditor's Report, 2019

Page Two

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

### ***Opinions***

In my opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the Housing Authority of the City of Opelousas as of June 30, 2019, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

Also included in Supplementary Information is an Agreed-Upon Procedures report, which reports on an Agreed-Upon Procedures engagement required by the Louisiana Legislative Auditor. My opinion is not modified in respect to the matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the authority's basic financial statements. The Financial Data Schedule; the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and the Statement and Certification of Actual Modernization Cost are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

## HOUSING AUTHORITY OF THE CITY OF OPELOUSAS

Opelousas, Louisiana  
Independent Auditor's Report, 2019  
Page Three

The Financial Data Schedule; the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer; the Statement and Certification of Actual Modernization Cost and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Compensation of Board Members has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated October 17, 2019 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the authority's internal control over financial reporting and compliance.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

October 17, 2019

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to Financial Statements can be found in this report after the financial statements referred to above.

Over time, changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating. Readers need to consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets to assess the overall health of the Authority.

**Analysis of Entity Wide Net Assets (Statement of Net Assets)**

**Total Assets** for FYE 2019 was \$18,492,632 and for FYE 2018 was \$17,242,601. This represents a net increase of \$1,250,031 over the prior year.

**Cash** increased by \$813,102 from the prior year. Dwelling rental revenue decreased by \$33,621, the operating subsidy increased by \$197,546, and capital grants increased by \$452,517. Other operating expense decreased by \$134,524, maintenance expenses decreased by \$313,433, and depreciation and amortization decreased by \$114,694.

**Total Liabilities** decreased from \$525,440 in FYE 2018 to \$462,003 in FYE 2019. This represents a decrease of \$63,437.

**Non-Current Liabilities** increased by \$9,151. This increase represents an adjustment to properly record compensated absences.

The following table illustrates our analysis:

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Cash	\$8,536,234	\$7,723,132	\$813,102
Other current assets	400,021	357,909	42,112
Restricted cash	162,336	151,515	10,821
Capital assets	<u>9,394,041</u>	<u>9,010,045</u>	<u>383,996</u>
<b><u>Total assets</u></b>	<b><u>18,492,632</u></b>	<b><u>17,242,601</u></b>	<b><u>1,250,031</u></b>
Current liabilities	\$221,726	\$305,135	\$(83,409)
Security deposit liabilities	162,336	151,515	10,821
Non-current liabilities	<u>77,941</u>	<u>68,790</u>	<u>9,151</u>
<b><u>Total liabilities</u></b>	<b><u>462,003</u></b>	<b><u>525,440</u></b>	<b><u>(63,437)</u></b>
Investment in capital assets	\$9,394,041	\$9,010,045	\$383,996
Unrestricted	<u>8,636,588</u>	<u>7,707,116</u>	<u>929,472</u>
<b><u>Total net position</u></b>	<b><u>18,030,629</u></b>	<b><u>16,717,161</u></b>	<b><u>1,313,468</u></b>

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2019

**Analysis of Entity Wide Revenues (Statement of Activities)**

The Authority administers the following programs and the revenues generated from these programs during FYE 2019 were as follows:

	<u>Amount</u>	<u>Percent</u>
<b>Low Income Public Housing</b>		
Operating Subsidy	\$2,729,248	67%
<b>Capital Fund Program</b>		
Capital Grant	1,180,037	29
Operating Grant	<u>150,775</u>	<u>4</u>
<u>Total</u>	<u>4,060,060</u>	<u>100</u>

**Analysis of Entity Wide Expenditures**

**Total Revenues** in FYE 2019 and FYE 2018 were \$6,025,521 and \$5,411,834, respectively. Comparatively, FYE 2019 revenues exceeded FYE 2018 revenues by \$613,687. The increase in capital fund program was the main contributing factor.

**Total Expenses** decreased by 10% in FYE 2019 as compared to FYE 2018. In FYE 2019 and FYE 2018 total expenses were \$4,712,053 and \$5,233,867, respectively.

The schedule below reflects increases and decreases in individual line items.

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
<b><u>OPERATING REVENUES</u></b>			
Charges for services:			
HUD operating grants	\$2,880,023	\$2,726,085	\$153,938
Dwelling rental	1,540,395	1,574,016	(33,621)
Other operating	<u>386,358</u>	<u>389,924</u>	<u>(3,566)</u>
<u>Total operating revenues</u>	<u>4,806,776</u>	<u>4,690,025</u>	<u>116,751</u>
<b><u>OPERATING EXPENSES</u></b>			
Administrative salaries	405,202	377,423	27,779
Employee benefit contr. – admin.	145,611	149,481	(3,870)
Other operating	358,609	493,134	(134,525)
Utilities	1,011,438	1,006,757	4,681
Ordinary maint. – labor	600,222	570,731	29,491
Ordinary maint. – materials	231,606	289,525	(57,919)
Ordinary maint. – contract costs	315,340	613,200	(297,860)
Ordinary maint. – emp. ben. contr.	260,802	247,947	12,855
Insurance premiums	424,967	405,884	19,083
Payments in lieu of taxes	93,784	97,047	(3,263)
Bad debts – tenants	46,581	50,153	(3,572)
Depreciation	<u>817,891</u>	<u>932,585</u>	<u>(114,694)</u>
<u>Total operating expenses</u>	<u>4,712,053</u>	<u>5,233,867</u>	<u>(521,814)</u>
<u>Operating income (loss)</u>	<u>94,723</u>	<u>(543,842)</u>	<u>638,565</u>

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
<b><u>NON-OPERATING REVENUES</u></b>			
Capital grants	\$1,180,037	\$683,911	\$496,126
Interest revenue	17,007	16,431	576
Miscellaneous revenue	<u>21,701</u>	<u>21,467</u>	<u>234</u>
<u>Total non-operating revenues</u>	<u>1,218,745</u>	<u>721,809</u>	<u>496,936</u>
<u>Change in net position</u>	<u>1,313,468</u>	<u>177,967</u>	<u>1,135,501</u>

**Capital Asset**

The Authority's total investment in capital assets at June 30, 2019 was \$40,705,620, with accumulated depreciation of \$31,311,579. This results in capital assets, net of accumulated depreciation, of \$9,394,041.

**Future Budget and Economic Outlook**

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected by federal budget and HUD mandates. The capital fund programs for 2015, 2016, 2017, 2018 are currently being drawn and no major changes are expected.

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

**Requests for Information**

This report is intended to provide interested parties with a general overview of the finances of the Housing Authority of the City of Opelousas, Louisiana. Questions or requests for further information should be addressed to the Authority at P.O. Box 689, Opelousas, Louisiana 70571-0689.

**Housing Authority of Opelousas**  
**Opelousas, Louisiana**  
Statement of Net Position  
As of June 30, 2019

**ASSETS****Current assets**

Cash and cash equivalents	8,536,234
Receivables:	
HUD	7,441
Tenant rents, net of allowance	23,692
Prepaid expenses	260,860
Inventory, net of allowance	108,028
Restricted assets - cash and cash equivalents	<u>162,336</u>

**Total current assets** 9,098,591

**Noncurrent assets**

## Capital assets:

## Nondepreciable capital assets:

Land	<u>1,327,350</u>
Total nondepreciable capital assets	<u>1,327,350</u>

## Depreciable capital assets:

Buildings and improvements	37,655,496
Furniture and equipment	1,722,774
Less accumulated depreciation	<u>(31,311,579)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>8,066,691</u>

    Total capital assets, net of accumulated depreciation 9,394,041

**TOTAL ASSETS** 18,492,632

**LIABILITIES AND NET POSITION****Current Liabilities**

Accounts payable	58,291
Payable to other governments	93,782
Accrued wages payable	11,807
Accrued compensated absences	46,400
Unearned revenue	11,446
Security deposit liability	<u>162,336</u>

**Total current liabilities** 384,062

**Noncurrent liabilities**

Accrued compensated absences	<u>77,941</u>
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**Total noncurrent liabilities** 77,941

**TOTAL LIABILITIES** 462,003

**NET POSITION**

Net Investments in Capital Assets	9,394,041
Restricted	-
Unrestricted	<u>8,636,588</u>

**TOTAL NET POSITION** \$ 18,030,629

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

**Housing Authority of Opelousas**  
Opelousas, Louisiana  
Statement of Revenues, Expenses, and Changes In Net Position  
For the Year Ended June 30, 2019

<b>Operating Revenues</b>	
HUD Operating Grants	\$ 2,880,023
Dwelling Rental	1,540,395
Other Operating	<u>386,358</u>
<b>Total operating revenues</b>	<u>4,806,776</u>
<b>Operating Expenses</b>	
General and administrative	1,474,534
Repairs and maintenance	1,407,970
Utilities	1,011,438
Tenant services	220
Depreciation and amortization	<u>817,891</u>
<b>Total operating expenses</b>	<u>4,712,053</u>
<b>Operating income (loss)</b>	94,723
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	21,701
Miscellaneous revenues	<u>17,007</u>
<b>Total nonoperating revenues (expenses)</b>	<u>38,708</u>
<b>Income (loss) before other revenues, expenses, gains, losses and transfers</b>	133,431
Capital contributions (grants)	1,180,037
<b>Increase (decrease) in net position</b>	1,313,468
<b>Net position, beginning of year</b>	<u>16,717,161</u>
<b>Net position, end of year</b>	<u><u>\$ 18,030,629</u></u>

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

**Housing Authority of Opelousas**  
**Statement of Cash Flows**  
For the Year Ended June 30, 2019

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from federal subsidies	\$ 2,880,023
Receipts from tenants	1,928,120
Payments to suppliers	(2,995,653)
Payments to employees	<u>(1,005,425)</u>
<b>Net cash provided by operating activities</b>	<u>807,065</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Miscellaneous revenues	<u>17,007</u>
<b>Net cash provided by noncapital financing activities</b>	<u>17,007</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from capital grants	1,180,037
Purchase and construction of capital assets	<u>(1,201,887)</u>
<b>Net cash (used in) capital and related financing activities</b>	<u>(21,850)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>21,701</u>
<b>Net cash provided by investing activities</b>	<u>21,701</u>
Net increase (decrease) in cash and cash equivalents	<u>823,923</u>
<b>Cash and cash equivalents - beginning of year</b>	<u>7,874,647</u>
Cash and Cash equivalents - unrestricted	8,536,234
Cash and Cash equivalents - restricted	162,336
<b>Total Cash and Cash Equivalents - end of year</b>	<u>\$ 8,698,570</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating (loss)	\$ 94,723
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	817,891
Changes in assets and liabilities:	
HUD receivable	22,510
Tenant rents, net of allowance	(9,454)
Prepaid insurance	(38,955)
Inventories	(16,213)
Accounts payable	(84,146)
Accrued wages payable	9,687
PILOT Payable	(3,265)
Accrued compensated absences	10,990
Unearned revenue	(7,524)
Security deposit liability	<u>10,821</u>
<b>Net cash provided by operating activities</b>	<u>\$ 807,065</u>

The accompanying notes are an integral part of the financial statements

## HOUSING AUTHORITY OF THE CITY OF OPELOUSAS

Opelousas, Louisiana  
Notes to the Basic Financial Statements  
June 30, 2019

### *NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accompanying basic financial statements of the authority 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.

#### (1) Reporting Entity

The Housing Authority of The City of Opelousas (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the City of Opelousas, Louisiana. This formation was contingent upon the approval of the city.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the city and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14, as amended by GASB statement No. 39 and GASB Statement No. 61, establishes criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in the GASB statements, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The authority has no component units, defined by the GASB statements as other legally separate organizations for which the elected authority members are financially accountable.

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

OPELOUSAS, LOUISIANA

Notes to the Financial Statements, 2019 - continued

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 majority of an organization's governing body, and:
  - a. The ability of the government 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 government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
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.

Based on the previous criteria, the authority has determined that the following component unit should be considered as part of the authority reporting entity.

Opelousas Heights, Inc. is a legally separate entity. This entity was established by the authority to promote and advance decent, safe, and sanitary housing for the elderly, handicapped and/or persons of low to moderate income in St. Landry Parish. The authority's board and Executive Director are making all decisions for the CU and all documents are executed by the Executive Director and authority chairperson. The CU is fiscally dependent on the authority.

The authority has the ability to impose its will on the entity. The entity is providing services which benefit the authority because these services would be provided by the authority in the absence of the separate entity.

The CU financial activities are included in the PHA financials through blended presentation.

The authority is a related organization of the City of Opelousas, Louisiana since the city appoints a voting majority of the authority's governing board. The city is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to,

## HOUSING AUTHORITY OF THE CITY OF OPELOUSAS

OPELOUSAS, LOUISIANA

Notes to the Financial Statements, 2019 - continued

or impose financial burdens on, the city. Accordingly, the authority is not a component unit of the financial reporting entity of the city.

### (2) Funds

The accounts of the authority are organized and operated on 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 is maintained consistent with legal and managerial requirements.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are HUD operating grants and subsidies and tenant dwelling rents. Operating expenses include General and Administrative expenses, repairs and maintenance expenses, utilities and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis—For State and Local Governments*, which was unanimously approved in June 1999 by the GASB.

### (3) Measurement focus and basis of accounting

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net positions.

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

OPELOUSAS, LOUISIANA

Notes to the Financial Statements, 2019 - continued

(4) Assets, liabilities, and net Position

(a) Deposits

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

(b) Inventory and prepaid items

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

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

(c) Restricted Assets

Cash equal to the amount of tenant security deposits is reflected as restricted.

(d) Capital assets

Capital assets of the authority are included in the statement of net positions and are recorded at actual cost. The capitalization threshold is \$500. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

Buildings	35 years
Modernization and improvements	15 years
Furniture and equipment	3-7 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for grants or programs under which the services have been

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

OPELOUSAS, LOUISIANA

Notes to the Financial Statements, 2019 - continued

provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At June 30, 2019, the management of the authority established an allowance for doubtful accounts of approximately \$839.

(g) Compensated absences

It is the authority's policy to permit employees to accumulate earned but unused vacation pay benefits. In accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation pay is accrued when incurred and reported as a liability. Employees may accumulate an unlimited number of annual leave hours. Depending on their length of service, employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. The cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as a current year expense when leave is earned.

(h) Restricted net Position

Net positions are reported as restricted when constraints placed on net positions use 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 for which both restricted and unrestricted resources are available.

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 government-wide financial statements and reported amounts of revenues

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

OPELOUSAS, LOUISIANA

Notes to the Financial Statements, 2019 - continued

and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B – DEPOSITS**

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of June 30, 2019, the authority's carrying amount of deposits was \$8,698,570, which includes the following:

Cash and cash equivalents-unrestricted	\$8,536,234
Cash and cash equivalents- restricted	162,336
Total	\$8,698,570

**Interest Rate Risk**—The authority's policy does not address interest rate risk.

**Credit Rate Risk**—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

**Custodial Credit Risk**—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$1,193,405 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$7,642,013 of deposits have custodial credit risk, but were collateralized with securities held by the pledging financial institution trust department or agent. The bank balances at June 30, 2019 totaled \$8,835,418.

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**  
OPELOUSAS, LOUISIANA  
Notes to the Financial Statements, 2019 - continued

**NOTE C - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2019 was as follows:

	<u>6 30 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>6 30 2019</u>
<b>Nondepreciable Assets:</b>				
Land	\$ 1,327,350	\$ -	\$ -	\$ 1,327,350
Construction in Progress	-	-	-	-
<b>Depreciable Assets:</b>				
Building and improvements	36,522,159	1,133,337	-	37,655,496
Furniture and equipment	<u>1,672,594</u>	<u>68,550</u>	<u>18,370</u>	<u>1,722,774</u>
Total	<u>39,522,103</u>	<u>1,201,887</u>	<u>18,370</u>	<u>40,705,620</u>
Less accumulated depreciation				
Building and improvements	29,314,361	683,085	-	29,997,446
Furniture and equipment	<u>1,197,697</u>	<u>134,806</u>	<u>18,370</u>	<u>1,314,133</u>
Total accumulated depreciation	<u>30,512,058</u>	<u>817,891</u>	<u>18,370</u>	<u>31,311,579</u>
Net Capital Assets	<u>\$ 9,010,045</u>	<u>\$ 383,996</u>	<u>\$ -</u>	<u>\$ 9,394,041</u>

**NOTE D – COMPENSATED ABSENCES**

At June 30, 2019, employees of the authority have accumulated and vested \$124,341 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$77,941 is reported in long-term debt.

**NOTE E – LONG TERM OBLIGATIONS**

As of June 30, 2019, long term obligations consisted of compensated absences in the amount of \$77,941. The following is a summary of the changes in the long term obligations for the year ended June 30, 2019.

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

OPELOUSAS, LOUISIANA

Notes to the Financial Statements, 2019 - continued

	<b>Compensated Absences</b>
Balance as of July 1, 2018	\$113,351
Additions	59,459
Deductions	(48,469)
Balance as of June 30, 2019	<u>124,341</u>
Long term portion	<u>77,941</u>
Amount due in one year (Short term)	<u><u>\$46,400</u></u>

*NOTE F – POST EMPLOYMENT RETIREMENT BENEFITS*

The authority does not provide any post employment retirement benefits. Therefore the authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

*NOTE G - RETIREMENT PLAN*

The authority participates in the Housing Agency Retirement Trust plan, administered by Mercer, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to seven percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute five percent of their annual covered salary.

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority. No payments were made out of the forfeiture account.

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

OPELOUSAS, LOUISIANA

Notes to the Financial Statements, 2019 - continued

The authority's total payroll for the year ended June 30, 2019, was \$1,005,425. The authority's contributions were calculated using the base salary amount of \$838,572. The authority made the required contributions of \$58,700 for the year ended June 30, 2019.

*NOTE H – RISK MANAGEMENT*

The authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The authority's risk management program encompasses obtaining property and liability insurance.

The authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and workers compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the authority's deductions are met.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

*NOTE I – LITIGATION AND CLAIMS*

At June 30, 2019, the authority is involved in litigation. Management believes the authority's insurance would cover any losses which would be incurred if this suit were not settled favorably. Additionally, the authority is involved in litigation with the provider of electrical services to the authority and its' residents. The OHA (Opelousas Housing Authority) attorney and OHA management assert that the litigation is ongoing, the outcome of the litigation is impossible to predict at this time, and the financial statements have not been modified due to the potential outcome of this litigation.

*NOTE J – FEDERAL COMPLIANCE CONTINGENCIES*

The authority 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

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

OPELOUSAS, LOUISIANA

Notes to the Financial Statements, 2019 - continued

beneficiaries. The authority is subject to HUD's consideration of reducing grants in order to have the authority utilize authority Equity to fund expenses.

*NOTE K – SUBSEQUENT EVENTS*

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through October 17, 2019 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

*NOTE L – ECONOMIC DEPENDENCE*

Financial Accounting Standards Boards Accounting Standards Codification 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$4,060,060 to the authority, which represents approximately 67% of the authority's total revenue for the year.

*NOTE M – NEW DEVELOPMENT ACTIVITIES*

Opelousas Housing Authority (OHA) created a previously inactive Component Unit, Opelousas Heights, Inc. (CU) to facilitate development of Low Income Housing. During the fiscal year OHA activated the CU for the purpose of providing an additional 50 units of Low Income Housing. The CU is considered a blended CU of OHA. During the fiscal year OHA caused the CU to apply for and receive approval from the State Bond Commission for funding for this development.

# Financial Data Schedule

Housing Authority of City of Opelousas (LA055)  
Opelousas, LA  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	Project Total	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$6,953,439	\$303,750	\$1,279,045	\$8,536,234		\$8,536,234
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted						
114 Cash - Tenant Security Deposits	\$162,336			\$162,336		\$162,336
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$7,115,775	\$303,750	\$1,279,045	\$8,698,570	\$0	\$8,698,570
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	\$7,441			\$7,441		\$7,441
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous						
126 Accounts Receivable - Tenants	\$24,531			\$24,531		\$24,531
126.1 Allowance for Doubtful Accounts - Tenants	-\$839			-\$839		-\$839
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$31,133	\$0	\$0	\$31,133	\$0	\$31,133
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$250,634		\$10,226	\$260,860		\$260,860
143 Inventories	\$108,028			\$108,028		\$108,028
143.1 Allowance for Obsolete Inventories	\$0			\$0		\$0
144 Inter Program Due From						
145 Assets Held for Sale						
150 Total Current Assets	\$7,505,570	\$303,750	\$1,289,271	\$9,098,591	\$0	\$9,098,591
161 Land	\$1,100,772		\$226,578	\$1,327,350		\$1,327,350
162 Buildings	\$36,262,088		\$1,393,408	\$37,655,496		\$37,655,496
163 Furniture, Equipment & Machinery - Dwellings	\$982,227		\$46,188	\$1,028,415		\$1,028,415
164 Furniture, Equipment & Machinery - Administration	\$443,375		\$250,984	\$694,359		\$694,359
165 Leasehold Improvements						
166 Accumulated Depreciation	-\$29,676,557		-\$1,635,022	-\$31,311,579		-\$31,311,579
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$9,111,905	\$0	\$282,136	\$9,394,041	\$0	\$9,394,041
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$9,111,905	\$0	\$282,136	\$9,394,041	\$0	\$9,394,041
200 Deferred Outflow of Resources						
290 Total Assets and Deferred Outflow of Resources	\$16,617,475	\$303,750	\$1,571,407	\$18,492,632	\$0	\$18,492,632

# Financial Data Schedule

Housing Authority of City of Opelousas (LA055)  
Opelousas, LA  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	Project Total	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$52,454		\$5,837	\$58,291		\$58,291
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable			\$11,807	\$11,807		\$11,807
322 Accrued Compensated Absences - Current Portion	\$33,819		\$12,581	\$46,400		\$46,400
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	\$93,782			\$93,782		\$93,782
341 Tenant Security Deposits	\$162,336			\$162,336		\$162,336
342 Unearned Revenue	\$11,446			\$11,446		\$11,446
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities						
346 Accrued Liabilities - Other						
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	\$353,837	\$0	\$30,225	\$384,062	\$0	\$384,062
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current	\$47,689		\$30,252	\$77,941		\$77,941
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	\$47,689	\$0	\$30,252	\$77,941	\$0	\$77,941
300 Total Liabilities	\$401,526	\$0	\$60,477	\$462,003	\$0	\$462,003
400 Deferred Inflow of Resources						
508.4 Net Investment in Capital Assets	\$9,111,905		\$282,136	\$9,394,041		\$9,394,041
511.4 Restricted Net Position						
512.4 Unrestricted Net Position	\$7,104,044	\$303,750	\$1,228,794	\$8,636,588		\$8,636,588
513 Total Equity - Net Assets / Position	\$16,215,949	\$303,750	\$1,510,930	\$18,030,629	\$0	\$18,030,629
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$16,617,475	\$303,750	\$1,571,407	\$18,492,632	\$0	\$18,492,632

# Financial Data Schedule

## Housing Authority of City of Opelousas (LA055) Opelousas, LA

### Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	Project Total	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$1,540,395		\$0	\$1,540,395		\$1,540,395
70400 Tenant Revenue - Other	\$386,358			\$386,358		\$386,358
70500 Total Tenant Revenue	\$1,926,753	\$0	\$0	\$1,926,753	\$0	\$1,926,753
70600 HUD PHA Operating Grants	\$2,880,023		\$0	\$2,880,023		\$2,880,023
70610 Capital Grants	\$1,180,037		\$0	\$1,180,037		\$1,180,037
70710 Management Fee			\$605,346	\$605,346	-\$605,346	\$0
70720 Asset Management Fee			\$82,800	\$82,800	-\$82,800	\$0
70730 Book Keeping Fee			\$60,023	\$60,023	-\$60,023	\$0
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue			\$748,169	\$748,169	-\$748,169	\$0
70800 Other Government Grants						
71100 Investment Income - Unrestricted	\$14,816		\$6,885	\$21,701		\$21,701
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery						
71500 Other Revenue			\$17,007	\$17,007		\$17,007
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$6,001,629	\$0	\$772,061	\$6,773,690	-\$748,169	\$6,025,521
91100 Administrative Salaries	\$176,922		\$228,280	\$405,202		\$405,202
91200 Auditing Fees	\$9,318		\$3,106	\$12,424		\$12,424
91300 Management Fee	\$605,346			\$605,346	-\$605,346	\$0
91310 Book-keeping Fee	\$60,023			\$60,023	-\$60,023	\$0
91400 Advertising and Marketing						
91500 Employee Benefit contributions - Administrative	\$71,235		\$74,376	\$145,611		\$145,611
91600 Office Expenses	\$26,991		\$38,664	\$65,655		\$65,655
91700 Legal Expense	\$17,076		\$10,112	\$27,188		\$27,188
91800 Travel	\$42,586		\$18,356	\$60,942		\$60,942
91810 Allocated Overhead						
91900 Other	\$59,033		\$25,686	\$84,719		\$84,719
91000 Total Operating - Administrative	\$1,068,530	\$0	\$398,580	\$1,467,110	-\$665,369	\$801,741
92000 Asset Management Fee	\$82,800			\$82,800	-\$82,800	\$0
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	\$201		\$19	\$220		\$220
92500 Total Tenant Services	\$201	\$0	\$19	\$220	\$0	\$220

# Financial Data Schedule

## Housing Authority of City of Opelousas (LA055) Opelousas, LA

### Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	Project Total	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
93100 Water	\$334,054			\$334,054		\$334,054
93200 Electricity	\$634,382		\$20,767	\$655,149		\$655,149
93300 Gas	\$20,490		\$1,745	\$22,235		\$22,235
93400 Fuel						
93500 Labor						
93600 Sewer						
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	\$988,926	\$0	\$22,512	\$1,011,438	\$0	\$1,011,438
94100 Ordinary Maintenance and Operations - Labor	\$572,023		\$28,200	\$600,223		\$600,223
94200 Ordinary Maintenance and Operations - Materials and Other	\$229,712		\$1,894	\$231,606		\$231,606
94300 Ordinary Maintenance and Operations Contracts	\$307,640		\$7,696	\$315,338		\$315,338
94500 Employee Benefit Contributions - Ordinary Maintenance	\$259,332		\$1,471	\$260,803		\$260,803
94000 Total Maintenance	\$1,368,707	\$0	\$39,263	\$1,407,970	\$0	\$1,407,970
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$365,757		\$20,542	\$386,299		\$386,299
96120 Liability Insurance	\$375		\$125	\$500		\$500
96130 Workmen's Compensation	\$28,626		\$9,542	\$38,168		\$38,168
96140 All Other Insurance						
96100 Total Insurance Premiums	\$394,758	\$0	\$30,209	\$424,967	\$0	\$424,967
96200 Other General Expenses	\$80,936		\$26,523	\$107,459		\$107,459
96210 Compensated Absences						
96300 Payments in Lieu of Taxes	\$93,785			\$93,785		\$93,785
96400 Bad debt - Tenant Rents	\$46,582			\$46,582		\$46,582
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$221,303	\$0	\$26,523	\$247,826	\$0	\$247,826
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$4,125,225	\$0	\$517,106	\$4,642,331	-\$748,169	\$3,894,162
97000 Excess of Operating Revenue over Operating Expenses	\$1,876,404	\$0	\$254,955	\$2,131,359	\$0	\$2,131,359
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments						
97350 HAP Portability-In						
97400 Depreciation Expense	\$797,782		\$20,109	\$817,891		\$817,891
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$4,923,007	\$0	\$537,215	\$5,460,222	-\$748,169	\$4,712,053

# Financial Data Schedule

Housing Authority of City of Opelousas (LA055)  
Opelousas, LA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	Project Total	6.2 Component Unit - Blended	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government		\$303,750		\$303,750	-\$303,750	\$0
10040 Operating Transfers from/to Component Unit	-\$303,750			-\$303,750	\$303,750	\$0
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	-\$303,750	\$303,750	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$774,872	\$303,750	\$234,846	\$1,313,468	\$0	\$1,313,468
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$15,441,077	\$0	\$1,276,084	\$16,717,161		\$16,717,161
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$0	\$0		\$0
11170 Administrative Fee Equity						
11180 Housing Assistance Payments Equity						
11190 Unit Months Available	8280		0	8280		8280
11210 Number of Unit Months Leased	8009		0	8009		8009
11270 Excess Cash	\$6,444,994			\$6,444,994		\$6,444,994
11610 Land Purchases	\$0		\$0	\$0		\$0
11620 Building Purchases	\$1,133,337		\$0	\$1,133,337		\$1,133,337
11630 Furniture & Equipment - Dwelling Purchases	\$46,700		\$0	\$46,700		\$46,700
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0		\$0	\$0		\$0
11660 Infrastructure Purchases	\$0		\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0	\$0		\$0

## Opelousas Housing Authority

### Schedule of Compensation, Benefits and Other Payments to Agency Head

or Chief Executive Officer

For the Year Ended June 30, 2019

Joe Ann Tyler, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 111,663
Benefits-insurance	18,086
Benefits-retirement	7,474
Reported value of the use of a vehicle provided by the agency for this FY.	720
Travel	4,315
All other	\$ 30

**Housing Authority of the City of Opelousas**  
 Opelousas, Louisiana  
 Statement and Certification of Actual Modernization Costs  
 For the Year Ended June 30, 2019

Project Number:	LA48P055501-15	LA48P055501-16
Original Funds Approved	\$ 940,162	\$ 986,300
Less Funds Expended (Actual Modernization Cost)	<u>940,162</u>	<u>986,300</u>
Excess Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Disbursed	\$ 940,162	\$ 986,300
Less Funds Expended (Actual Modernization Cost)	<u>940,162</u>	<u>986,300</u>
Excess Funds Disbursed	<u>\$ -</u>	<u>\$ -</u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Reports dated 2/07/2019 and 2/17/2019, respectively, accompanying the Actual Modernization Cost Certificates, submitted to HUD for approval are in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payments.

**William Daniel McCaskill, CPA**  
A Professional Accounting Corporation  
415 Magnolia Lane  
Mandeville, Louisiana 70471

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Telephone 866-829-0993  
Fax 225-570-1362  
E-mail [danny@highperformer.net](mailto:danny@highperformer.net)

Member of  
Louisiana Society of CPA's  
American Institute of CPA's

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Opelousas Housing Authority Housing Authority and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Opelousas Housing Authority Housing Authority (Authority) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Authority's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***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.

**Results of procedures performed:**

I reviewed the written policy for each of the above listed functions and noted the following exceptions:

**Disaster Recovery/Business Continuity – the authority's written procedures do not adequately address all of the requirements listed above.**

**Debt Service – N/A**

**Management's response/corrective action plan:**

We will revise or adopt written policies/procedures to address the exception noted above.

***Board (or Finance Committee, if applicable)***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

**Results of procedures performed:**

- a] **The board did meet monthly.**
- b] **The minutes included monthly budget to actual comparisons of the general fund.**
- c] **The prior year report did not report a negative unrestricted fund balance.**

***Bank Reconciliations***

---

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

**There were no prior year exceptions in this category, these procedures are omitted.**

### *Collections (excluding ETFs)*

---

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

**There were no prior year exceptions in this category, these procedures are omitted.**

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

---

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Management represents that the list is complete.**

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**We performed the above listed procedures and noted no exceptions.**

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable

**We performed the above listed procedures and noted no exceptions.**

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

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

**Management represents that the list is complete.**

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

**We performed the above listed procedures and noted no exceptions.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**We performed the above listed procedures and noted no exceptions.**

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

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

**Management represents that the list is complete.**

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**We noted the following exception – the authority policy for per diem rates exceed the GSA rate by immaterial amounts. This is permissible under the regulations.**

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**No exceptions noted**

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

**No exceptions noted**

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

**No exceptions noted**

## ***Contracts***

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

**Management represents that the list is complete.**

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

**We performed the above listed procedures and noted no exceptions.**

## ***Payroll and Personnel***

---

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Management represents that the list is complete.**

**We performed the above listed procedure and noted no exceptions.**

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**We performed the above listed procedures and noted no exceptions.**

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

**Management asserts that there were no terminations during the period.**

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**Management asserts that all of the above were paid and filed timely.**

## ***Ethics***

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

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**We performed the above listed procedures and noted no exceptions.**

### ***Debt Service***

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

**Not applicable.**

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

**Not applicable.**

### ***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Management represents that they are not aware of any misappropriation of public funds or assets.**

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

**The notice is properly posted.**

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed

additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is 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.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation  
Mandeville, Louisiana

October 17, 2019

**William Daniel McCaskill, CPA**  
A Professional Accounting Corporation  
415 Magnolia Lane  
Mandeville, Louisiana 70471

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Telephone 866-829-0993  
Fax 225-570-1362  
E-mail [danny@highperformer.net](mailto:danny@highperformer.net)

Member of  
Louisiana Society of CPA's  
American Institute of CPA's

**Independent Auditor's Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Board of Commissioners  
**Housing Authority of the City of Opelousas**  
Opelousas, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Opelousas, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the authority's basic financial statements, and have issued my report thereon dated October 17, 2019.

**Internal Control Over Financial Reporting**

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

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

## **HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

Opelousas, Louisiana

Report on Internal Control... *Government Auditing Standards*, 2019

Page Two

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that I consider to be material weaknesses. See Finding 2019-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2019-001.

### **Authority's Response to Findings**

The authority's response to the findings identified in my engagement is described in the accompanying schedule of findings and questioned costs. The authority's response was not subjected to the auditing procedures applied in the engagement to audit the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

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

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

October 17, 2019

**William Daniel McCaskill, CPA**  
A Professional Accounting Corporation  
415 Magnolia Lane  
Mandeville, Louisiana 70471

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Telephone 866-829-0993  
Fax 225-570-1362  
E-mail [danny@highperformer.net](mailto:danny@highperformer.net)

Member of  
Louisiana Society of CPA's  
American Institute of CPA's

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

Board of Commissioners  
**Housing Authority of the City of Opelousas**  
Opelousas, Louisiana

**Report on Compliance for Each Major Federal Program**

I have audited the Housing Authority of the City of Opelousas's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the authority's major federal programs for the year ended June 30, 2019. The authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

## **HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

Opelousas, Louisiana  
Report on Compliance...Uniform Guidance, 2019  
Page Two

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the authority's compliance.

### ***Opinion on Each Major Federal Program***

In my opinion, the authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

Management of the authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over compliance.

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

## **HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

Opelousas, Louisiana

Report on Compliance...Uniform Guidance, 2019

Page Three

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

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

October 17, 2019

**Housing Authority of the City of Opelousas**  
 Opelousas, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2019

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Housing and Urban Development:</b>		
Direct Programs:		
Low Rent Public Housing	14.850a	\$ 2,729,248
Public Housing Capital Fund Program	14.872	1,330,812
Total Federal Expenditures		<u>\$ 4,060,060</u>

See accompanying notes to schedule of expenditures of federal awards.

# HOUSING AUTHORITY OF THE CITY OF OPELOUSAS

Opelousas, Louisiana

## Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2019

### NOTE A—Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Authority under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

### NOTE B—Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

### NOTE C – Relationship to Basic Financial Statements

Federal awards revenues are reported in the authority's basic financial statements as follows:

Low Rent Public Housing	\$2,729,248
Capital Fund Program	\$1,330,812

### NOTE D – 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 GAAP.

### NOTE E- FEDERAL AWARDS

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 9814, "federal awards" do not include the authority's operating income from rents or investments (or other Non-federal sources). In addition, the entire amount of operating subsidy received and/or accrued during the fiscal year is considered to be expended during the fiscal year.

# HOUSING AUTHORITY OF THE CITY OF OPELOUSAS

Opelousas, Louisiana

## Schedule of Findings and Questioned Costs Fiscal Year Ended June 30, 2019

### 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?   X   yes        no
- Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?   X   yes        no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) identified?        yes   X   none reported

Type of auditor's report issued on compliance for Major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)        yes   X   no

Identification of major federal programs:

CFDA	Name of Federal Program
14.872	Capital Fund Program

# HOUSING AUTHORITY OF THE CITY OF OPELOUSAS

Opelousas, Louisiana  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2019

The dollar threshold used for distinguishing between Type A and B programs was \$750,000.

Auditee qualified as a low-risk auditee?   X   yes        no

## **SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT**

### **FINDING 2019-001**

#### **Program: Low Rent Program**

#### **Condition:**

a--The authority (OHA) transferred \$303,750 to Opelousas Heights Inc. (CU), a component unit to further development of an OHA property without the approval of HUD. OHA recorded this transaction as Other Costs Expense rather than a Transfer of Assets.

b--OHA apparently executed cash match obligations of between \$300,000 and \$500,000 to the State Bond Commission for future development on behalf of the CU. It appears that this is not a legal obligation at this time, and has not been recorded as of fiscal year end.

#### **Criteria:**

a--The HUD Annual Contributions Contract (ACC) requires pre-approval of any donation or transfer of assets of any kind. State Law prohibits a donation of any kind (lacking prior HUD approval). The \$303,750 transfer apparently constitutes an Equity Transfer rather than an Expense, as recorded.

b—The ACC prohibits OHA from obligating funds.

#### **Cause:**

a--The \$303,750 transfer apparently violated the HUD ACC, therefore violated State Law, and since it was incorrectly recorded on the general ledger caused a Material Audit Adjusting Journal entry requiring inclusion in a Finding.

b—The OHA obligating funds without prior HUD approval violates the ACC.

# HOUSING AUTHORITY OF THE CITY OF OPELOUSAS

Opelousas, Louisiana  
Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended June 30, 2019

## Effect:

a—The authority violated the HUD ACC.

b—The authority again violated the HUD ACC.

## Recommendations and auditor comments:

It appears the OHA did not intentionally violate any rules, regulations, or State Laws. It is likely that HUD would have pre-approved these transactions had OHA requested such.

A concern is that this development is still in the planning stages and there are voluminous Federal and State rules and regulations to be complied with to complete the development, I QUESTION IF INTERNAL OHA STAFF ASSIGNED TO THIS PROJECT IS PROPERLY TRAINED TO COMPLETE THE DEVELOPMENT IN COMPLIANCE WITH FEDERAL AND STATE RULES AND REGULATIONS. ADDITIONALLY, THE AUTHORITY DOES NOT HAVE A WRITTEN PLAN, BUDGET, FINANCING, AND PROJECTIONS FOR THE NEW DEVELOPMENT.

The OHA Board of Commissioners approved the transfer of a land parcel to the CU to facilitate the new development without HUD approval. It appears the actual legal transfer did not take place. However, had title been transferred it would again be in violation of the ACC and State Law.

I could not adequately confirm the following:

Component Unit (CU) Board Meetings—There were none recorded and the OHA Board along with the OHA ED, during their normal Board Meetings is acting for the CU and is thereby controlling the CU activities.

Federal Tax ID #.

The Entire Cooperative Endeavor Agreement between OHA and the CU.

By-Laws of the CU.

Please understand that the above concerns are not meant to be a comprehensive list of needs to be in compliance with all Federal, State, and Local requirements. In my opinion, these are obvious needs not being met.

# **HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

Opelousas, Louisiana

Schedule of Findings and Questioned Costs (Continued)

Fiscal Year Ended June 30, 2019

## **SECTION III - FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**HOUSING AUTHORITY OF THE  
CITY OF OPELOUSAS**

Opelousas, Louisiana

Schedule of Prior Year Audit Findings  
Fiscal Year Ended June 30, 2019

There were no findings in the prior audit.

# **HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**

Opelousas, Louisiana  
Corrective Action Plan for Current Year Findings  
For Fiscal Year Ended June 30, 2019

## **FINDINGS—FINANCIAL STATEMENTS AUDIT**

**2019-001**

### **Action Planned:**

We will reorganize the planned development, and in writing, layout the development, financing needs, and budget.

### **Person Responsible:**

Joe Ann Tyler, Executive Director

### **Anticipated Completion Date:**

March 31, 2020

**HOUSING AUTHORITY OF THE CITY OF OPELOUSAS**  
Opelousas, Louisiana

Schedule of Compensation Paid to Board Members  
Fiscal Year Ended June 30, 2019

Board members serve without compensation.