

Rapides Finance Authority

Annual Financial Report
For the Year Ended July 31, 2023



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January 18, 2024

Independent Auditors' Report

To the Rapides Finance Authority
Alexandria, Louisiana

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the business-type activities of the Rapides Finance Authority, as of and for the year ended July 31, 2023, and the related notes to the financial statements, which collectively comprise the Finance Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Rapides Finance Authority, as of July 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rapides Finance Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one



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resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rapides Finance Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rapides Finance Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rapides Finance Authority's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer and the Schedule of Per Diem Paid to Board Members, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional information is the responsibility of management and was 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 our opinion, the additional information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Rapides Finance Authority
January 18, 2024

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2024 on our consideration of the Rapides Finance Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rapides Finance Authority's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants

Rapides Finance Authority

Management's Discussion and Analysis **July 31, 2023**

This section of the Rapides Finance Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the year ended July 31, 2023. This section should be read in conjunction with the financial statements that appear in the following section:

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the basic financial statements include all of the Authority's assets and all of the Authority's liabilities (including long-term debt). Expenses incurred in connection with the operation of the Authority's loan programs are reported as business-type activities.

FINANCIAL ANALYSIS OF THE AUTHORITY

This portion of the management's discussion and analysis provides a comparative financial analysis.

Balance Sheet

A condensed version of the Authority's Balance Sheet is presented as follows:

| | <u>July 31, 2023</u> | <u>July 31, 2022</u> |
|-------------------------------|----------------------|----------------------|
| <u>Assets:</u> | | |
| Current and Other Assets | \$ 5,522,888 | \$ 5,634,638 |
| Capital Assets | ---- | ---- |
| Total Assets | 5,522,888 | 5,634,638 |
| <u>Liabilities:</u> | | |
| Current and Other Liabilities | ---- | ---- |
| Long-term Liabilities | ---- | ---- |
| Total Liabilities | ---- | ---- |
| <u>Net Position:</u> | | |
| Restricted | ---- | ---- |
| Unrestricted | 5,522,888 | 5,634,438 |
| Total Net Position | \$ 5,522,888 | \$ 5,634,438 |

At July 31, 2023, the Authority had no liabilities and the entire net position was unrestricted. The unrestricted net position may be used at the Authority's discretion.

Revenues, Expenses and Changes in Net Position

A condensed version of the statement of revenues, expenses and changes in net position is presented as follows:

Rapides Finance Authority

Management's Discussion and Analysis **July 31, 2023**

| | For the Year Ended | |
|--|---------------------------|----------------------|
| | July 31, 2023 | July 31, 2022 |
| <u>Revenues</u> | | |
| Operating (Program) Revenues | \$ 4,836 | \$ 9,818 |
| Interest on Deposits and Investments | 186,437 | 152,472 |
| <u>Total Revenue</u> | <u>191,273</u> | <u>162,290</u> |
| <u>Expenses</u> | | |
| Operating (Program) Expenses | 50,626 | 53,111 |
| <u>Total Expenses</u> | <u>50,626</u> | <u>53,111</u> |
| Change in Net Position Before Increase (Decrease) in Fair Value | 140,647 | 109,179 |
| Change in Fair Value of Investment Securities | (252,397) | (596,291) |
| <u>Change in Net Position</u> | <u>\$ (111,750)</u> | <u>\$ (487,112)</u> |

The net loss resulted from fluctuation in the market value of the Authority's security portfolio.

CAPITAL ASSET ADMINISTRATION

The Authority's activities are limited to providing financing for worthwhile activities in Rapides Parish, including conducting programs for first time homebuyers. The Authority has not acquired any capital assets in connection with these activities.

DEBT ADMINISTRATION

For the year ended July 31, 2023, there was no debt issued or outstanding.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

Due to unfavorable conditions existing in the financial markets, issuing additional bonds is not considered feasible at the present time. As a result, no bond proceeds are currently available to originate loans to first time home buyers.

RAPIDES FINANCE AUTHORITY

Statement of Net Position

July 31, 2023

| | <u>Business-type Activities</u> <u>Enterprise Fund</u> |
|---|---|
| <u>ASSETS:</u> | |
| Current Assets: | |
| Cash and cash equivalents | \$ 506,802 |
| Investments | 4,965,490 |
| Accrued interest | <u>50,596</u> |
| Total assets | <u><u>\$ 5,522,888</u></u> |
| | |
| <u>LIABILITIES AND NET POSITION</u> | |
| Other Current Liabilities | <u>\$ -</u> |
| Total current liabilities | <u>-</u> |
| | |
| <u>Net Position</u> | |
| Unrestricted | <u>5,522,888</u> |
| Total net position | <u>5,522,888</u> |
| Total liabilities and net position | <u><u>\$ 5,522,888</u></u> |

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

RAPIDES FINANCE AUTHORITY

Statement of Revenue, Expenses and Changes in Net Position For the Year Ended July 31, 2023

| | <u>Business-type Activities</u> <u>Enterprise Fund</u> |
|---|---|
| <u>Operating revenues:</u> | |
| Interest from mortgage backed securities - single family home mortgage programs | \$ - |
| Other | 4,836 |
| Total operating revenues | <u>4,836</u> |
| <u>Operating expenses:</u> | |
| Interest and related costs on bonds issued in connection with first time home buyer programs | - |
| Legal and professional | 10,070 |
| Other | 40,556 |
| Total operating expenses | <u>50,626</u> |
| Operating income (loss) | <u>(45,790)</u> |
| <u>Nonoperating revenues (expenses):</u> | |
| Interest on deposits and investments | 186,437 |
| Net increase (decrease) in fair value of investment securities | (252,397) |
| Total nonoperating revenue expenses | <u>(65,960)</u> |
| Change in Net Assets | (111,750) |
| Net position - beginning of year | <u>5,634,638</u> |
| Net position - end of year | <u>\$ 5,522,888</u> |

The accompanying notes are an integral part of the financial statements

RAPIDES FINANCE AUTHORITY

Statement of Cash Flows For the Year Ended July 31, 2023

| | <u>Business-type Activities</u> <u>Enterprise Fund</u> |
|--|---|
| <u>Cash flow from operating activities:</u> | |
| Receipts from borrowers / customers | \$ 4,836 |
| Payments to suppliers | (50,626) |
| Net cash provided (used) by operating activities | <u>(45,790)</u> |
| <u>Cash flows from noncapital financing activities:</u> | |
| Payment to redeem revenue bonds | - |
| Net cash provided (used) by non-capital financing activities | <u>-</u> |
| <u>Cash flows from investing activities:</u> | |
| Receipts of interest on deposits and investments | 180,931 |
| Receipts from paydowns and maturities | 490,178 |
| Purchase of investment securities | (956,846) |
| Net cash provided (used) by investing activities | <u>(285,737)</u> |
| Net increase (decrease) in cash | (331,527) |
| Beginning cash balance | 838,329 |
| Ending cash balance | 506,802 |
| Restricted cash balance | - |
| Unrestricted cash balance | <u>\$ 506,802</u> |
| <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u> | |
| Operating income (loss) | \$ (45,790) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| (Increase) Decrease in accrued interest receivable | - |
| Increase (Decrease) in accrued interest payable | - |
| Net cash provided (used) by operating activities | <u>\$ (45,790)</u> |

Supplemental Disclosure:

For the year ended July 31, 2023, there were no investing, capital, and financing activities that did not result in cash receipts or payments.

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

RAPIDES FINANCE AUTHORITY

Notes to Financial Statements

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

The Rapides Finance Authority, formerly known as Rapides Parish Housing and Mortgage Finance Authority, was created through a trust indenture dated December 14, 1978. The Authority is organized as a Public Trust as defined by state law. Rapides Parish is the designated beneficiary of the trust. The Authority's primary activity is conducting loan programs for first time home buyers.

Reporting Entity:

The Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the reporting entity 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 reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
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 is a component unit of the Rapides Parish Police Jury. The accompanying component unit financial statements present information only on the funds maintained by the Authority and do not present information on the police jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

Basis of Presentation:

The Authority uses an enterprise fund for financial reporting purposes. Enterprise funds are proprietary funds used to account for business-like activities. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

RAPIDES FINANCE AUTHORITY

Notes to Financial Statements

The Authority's enterprise fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with their activities are reported. Proprietary fund equity is classified as net position.

In addition, the Authority's enterprise fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Since the Authority's principal operations involve specialized lending activities, interest earned from loans and mortgage backed securities are reported as operating revenues. In addition, interest incurred in connection with debt issued to finance first time home buyer mortgage loan programs is reported as an operating expense.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include cash in bank accounts and highly liquid investments.

Statement of Cash Flows:

For the purpose of reporting cash flows, cash and cash equivalents includes all cash in bank accounts and highly liquid investments. Since the Authority's principal operations involve specialized lending activities, the following receipts and disbursements are reported as cash flows from operating activities:

- Payments to originate loans.
- Receipt of principal and interest collected from borrowers.
- Payments to acquire mortgage backed securities
- Receipts from paydowns and interest associated with mortgage backed securities.
- Payment of interest incurred in connection with bonds issued to finance loan origination and mortgage backed security acquisition.

Investments:

The Authority is authorized by state law and its trust indenture to acquire certain investment securities including obligations of the United States or its agencies. Investments are reported at fair value based on valuation techniques described in Note 3.

RAPIDES FINANCE AUTHORITY

Notes to Financial Statements

NOTE 2 – CASH AND EQUIVALENTS:

Cash on deposits and cash equivalents at July 31, 2023 consisted of the following amounts:

| | <u>Cash on Deposit</u> | <u>Cash Equivalents</u> | <u>Total</u> |
|---|----------------------------|-----------------------------|-------------------|
| Deposits held by Rapides Parish Police Jury's fiscal agent in the Police Jury's bank account | \$ 25,590 | \$ ---- | \$ 25,590 |
| Money Market Mutual Fund | ---- | 481,212 | 481,212 |
| | | | |
| Total Cash and Cash Equivalents | <u>\$ 25,590</u> | <u>\$ 481,212</u> | <u>\$ 506,802</u> |

Cash on deposit is collateralized by securities pledged to the Rapides Parish Police Jury. The cash equivalents are considered uninsured and unregistered securities held in the Authority's name. These cash equivalents are not rated but are not subject to any significant credit or interest rate risk.

NOTE 3 – INVESTMENT SECURITIES:

The Authority's investment policy outlines permissible investment vehicles for earning a secure return on investments held for future use. Investments held at year end are summarized as follows.

| | <u>Total Investments</u> | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|--|------------------------------|---|--|--|
| U. S. Government Agency Mortgage Backed Securities: | | | | |
| GNMA | \$ 352 | \$ ---- | \$ 352 | \$ ---- |
| FHLMC | 27,865 | ---- | 27,865 | ---- |
| United States Agency Securities | 356,470 | ---- | 356,470 | ---- |
| Certificates of Deposit | 1,156,736 | ---- | 1,156,736 | ---- |
| Taxable Municipal Bonds | 3,424,067 | ---- | 3,424,067 | ---- |
| | | | | |
| Total | <u>\$ 4,965,490</u> | <u>\$ ----</u> | <u>\$ 4,965,490</u> | <u>\$ ----</u> |

Securities classified in Level 2 of the fair value hierarchy are valued using evaluations, which may be matrix or model-based techniques. These estimates are obtained from various sources and assume normal market conditions and transaction volumes.

Credit Risk

The Finance Authority typically manages credit risk by limiting investments to securities that are guaranteed by the United States government, agencies of the United States government or private

RAPIDES FINANCE AUTHORITY

Notes to Financial Statements

guarantors with substantial financial resources. The investments described above are typically not rated by recognized credit rating agencies. Information regarding credit risk is provided as follows:

- The GNMA securities are guaranteed by the full faith and credit of the United States government. The remaining Mortgage Backed Securities are guaranteed by agencies chartered by the United States government and are not subject to rating agency evaluations.
- United States Agency Securities are rated investment grade (AA+) by Standard and Poor.
- Certificates of deposit are insured by the Federal Deposit Insurance Corporation and are not subject to rating agency evaluations.
- Taxable municipal securities are rated as investment grade by recognized rating agencies. Standard and Poor or equivalent ratings for the municipal security portfolio are presented as follows:

| <u>Rating</u> | |
|----------------------|---------------------|
| AAA | \$ 532,126 |
| AA+ | 362,701 |
| AA | 1,025,546 |
| AA- | 735,190 |
| A+ | 393,975 |
| A | 354,528 |
| Other | <u>20,001</u> |
| Total | <u>\$ 3,424,067</u> |

Interest Rate Risk

Interest rate risk refers to exposure to fair value losses arising from increasing interest rates. Interest rate risks for various types of securities are analyzed as follows:

- Mortgage backed securities mature in monthly installments that are based on the payment history associated with underlying pools of single-family home mortgages. Since the payment history is influenced by prepayment of mortgage obligations, it is not practical to provide a maturity schedule associated with the mortgage backed securities. Furthermore, interest rate risk associated with restricted mortgage backed securities held by various bond indentures is offset by the terms of bond issues that finance the acquisition of mortgage backed securities. Since the bond issues provide access to funds needed for investment at fixed rates, any financial impact from unfavorable changes in interest rates is minimized.
- Interest rate risk associated with United States Agency Securities, Certificates of Deposit, and Taxable Municipal Bonds increases in proportion to the length of time to maturity. Maturity schedules associated with these investment securities are presented as follows:

RAPIDES FINANCE AUTHORITY

Notes to Financial Statements

| | Fair Value | Investment Maturities (In Years) | | | More Than 10 |
|---------------------------------|---------------|----------------------------------|---------|-----------|-----------------|
| | | Less Than 1 | 1 – 5 | 6 – 10 | |
| United States Agency Securities | 356,470 | 24,644 | ---- | 331,826 | ---- |
| Certificates of Deposit | 1,156,736 | 306,317 | 289,454 | 560,965 | ---- |
| Taxable Municipal Bonds | 3,424,067 | 531,067 | 636,647 | 1,566,149 | 690,204 |

NOTE 4 – RISK MANAGEMENT:

The Authority is exposed to various risk of loss related to torts, theft, errors and omissions. The Authority insures against these risks described above by purchasing commercial insurance coverage. Legal counsel has advised management that no claims have resulted from these insured risks during any of the past three fiscal years.

NOTE 5 – CONTRACTUAL ARRANGEMENTS:

In connection with its mission to promote safe and affordable housing, the Authority has participated in arrangements to facilitate the development of low income housing. The Authority's participation in the housing developments is summarized as follows:

- In order to provide certain tax advantages, the Authority has agreed to serve as the owner of record for certain low income housing units.
- The improvements owned by the Authority are subject to leases that essentially assign all of the rights and privileges of ownership to the developers. These provisions include an obligation to transfer title to the property to the Developers at the conclusion of the lease. This obligation requires the transfer to be completed at no cost to the developer.
- Benefits accruing to the Authority as a result of these arrangements are limited to administrative fees that are intended to offset the Authority's cost associated with participation.

Under the contractual arrangements described above, the property records of Rapides Parish report the authority as the owner of the housing units. Despite being the owner of record, the terms of the arrangement assign the benefits of ownership to other parties. Accordingly, the Authority's ownership interest is impaired to such an extent that there is no value or economic benefit associated with owning the property. Accordingly, no assets were recorded in connection with the Authority's ownership interest.



January 18, 2024

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*

Rapides Finance Authority
Alexandria, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Rapides Finance Authority, as of and for the year ended July 31, 2023, and the related notes to the financial statements, which collectively comprise the Finance Authority's basic financial statements, and have issued our report thereon dated January 18, 2024.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Finance 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Finance Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Finance 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.

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



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any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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



ROZIER, MCKAY & WILLIS
Certified Public Accountants

RAPIDES FINANCE AUTHORITY

Summary of Findings and Responses

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the financial statements for the Rapides Finance Authority as of July 31, 2023 and for the year then ended expressed an unmodified opinion.
- The results of the audit disclosed no deficiencies in internal control.
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of the Rapides Finance Authority.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- None

RAPIDES FINANCE AUTHORITY

Management's Corrective Action Plan

| | |
|---|----------------|
| <u>SECTION I</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS. | |
| No findings were reported in the schedule of findings and questions cost. | Response – N/A |
| <u>SECTION II</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS | |
| N/A – The Authority did not receive federal financial assistance | Response – N/A |
| <u>SECTION III</u> MANAGEMENT LETTER | |
| No findings were reported in the schedule of findings and questions cost. | Response – N/A |

RAPIDES FINANCE AUTHORITY

Schedule of Prior Findings and Responses

| | |
|--|----------------|
| <u>SECTION I</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS | |
| No findings of the nature were reported as a result of the previous audit. | Response – N/A |
| <u>SECTION II</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS | |
| No findings of the nature were reported as a result of the previous audit. | Response – N/A |
| <u>SECTION III</u> MANAGEMENT LETTER | |
| No findings of the nature were reported as a result of the previous audit. | Response – N/A |

RAPIDES FINANCE AUTHORITY

Schedule of Per Diem Paid to Board Members

For the Year Ended July 31, 2023

| | |
|---------------------|------------------|
| Charles R. King | \$ 2,000 |
| Christopher Caffery | 1,800 |
| David C. Bates Jr. | 2,200 |
| David C. Butler II | 3,600 |
| Dwain Dubroc | 600 |
| Ernest Bowman | 2,200 |
| Eugene H. Jones | 2,200 |
| Harry W. Hayes | 2,400 |
| Jack B. DeWitt | 400 |
| Jason B. DeWitt | 2,000 |
| John T. Nash Jr | 200 |
| Joseph P. Page | 2,400 |
| Rita B. Lemoine | 2,400 |
| Sam J. DeBona | <u>2,400</u> |
| | |
| Total | <u>\$ 26,800</u> |

RAPIDES FINANCE AUTHORITY

***Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended July 31, 2023***

Agency Head (Chairman) - David C. Butler II

Purpose:

| | |
|----------------|----------|
| Compensation | \$ 3,600 |
| Benefits | - |
| Reimbursements | - |