

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

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2025

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

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Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Marksville
Marksville, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Marksville (Authority), Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 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 my judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary 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 accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying Financial Data Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 11, 2025, 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 solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.



Shoaib Khar, CPA

Audit Solutions, LLC.

Chesterfield, Missouri

December 11, 2025

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2025

Introduction

This Management's Discussion and Analysis (MD&A) of the Marksville Housing Authority (Authority) provides an introduction and overview to the financial statements of the Marksville Housing Authority for the fiscal year ended June 30, 2025. The Marksville Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended June 30, 2025, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Marksville Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has two individual programs. They include the Low Rent Public Housing Program and the Capital Fund Program.

The Low Rent Program consists of 168 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.

The Capital Fund Program is also a formula-based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Authority to provide capital improvements for the current dwelling structures and assist in their operations.

Overview of the Financial Statements

This overview of the financial statements is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- Statement of Net Position
- Statement of Revenues, Expense, and Changes in Net Position
- Statement of Cash Flows

The **Statement of Net Position** presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net position is comprised of three individual components:

- *Net Investment in Capital Assets* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets.
- *Restricted* component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through constitutional provisions.
- *Unrestricted* component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of net position is basically the amount of resources available for future year appropriations.

The **Statement of Revenues, Expenses, and Changes in Net Position** reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended June 30, 2025, to determine the change in net position for the fiscal year.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
June 30, 2025

Overview of the Financial Statements – (Continued)

The **Statement of Cash Flows** reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents an increase or decrease of the cash equivalent account balance for the year ended June 30, 2025.

Financial Highlights

- Net position decreased from \$4,413,082 to \$4,038,098, a decrease of \$374,984 or 8%. Total assets also decreased by \$246,298 or 5%.
- Total revenues decreased from \$1,600,811 to \$1,325,259, a decrease of \$275,552 or 17%.
- Total expenses increased by \$286,582, from \$1,413,661 to \$1,700,243 or 20%.

Housing Authority Activities & Highlights

The Housing Authority’s overall financial position for the past two years is summarized below based on the information in the current and prior financial statements. The table below provides the asset, liability, and net position (equity) comparisons for the year ended June 30, 2025, and June 30, 2024.

***Summary Statement of Net Position
As of June 30, 2025, and 2024***

Category	6/30/2025	6/30/2024	Change \$	Change %
Current Assets	\$ 1,581,021	\$ 1,764,757	\$ (183,736)	-10%
Fixed Assets (Net of Depreciation)	\$ 2,744,140	\$ 2,806,702	\$ (62,562)	-2%
Total Assets	\$ 4,325,161	\$ 4,571,459	\$ (246,298)	-5%
Deferred Outflow of Resources	\$ -	\$ -	\$ -	N/A
Current Liabilities	\$ 225,287	\$ 130,000	\$ 95,287	73%
Non-Current Liabilities	\$ 44,241	\$ 28,377	\$ 15,864	56%
Total Liabilities	\$ 269,528	\$ 158,377	\$ 111,151	70%
Deferred Inflow of Resources	\$ 17,535	\$ -	\$ 17,535	100%
Unrestricted	\$ 1,296,966	\$ 1,606,380	\$ (309,414)	-19%
Net Investment in Capital Assets	\$ 2,741,132	\$ 2,806,702	\$ (65,570)	-2%
Total Net Position	\$ 4,038,098	\$ 4,413,082	\$ (374,984)	-8%

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
June 30, 2025

Housing Authority Activities & Highlights – (Continued)

Current Assets

Current assets decreased by \$187,736 or 10%. Unrestricted cash decreased from \$1,442,927 to \$1,337,828, a decrease of \$105,099, primarily due to operating expenses exceeding operating revenues.

Capital Assets

Capital assets decreased by \$62,562. More details are provided in the Capital Assets section in a subsequent paragraph.

Current Liabilities

Current liabilities increased by \$95,287 or 73%. This was due primarily to an increase in accrued wage/payroll taxes payable of \$31,308, current accrued compensated absences of \$10,413, accounts payable - other government of \$22,789, and unearned revenue – capital fund of \$38,250. In contrast, accounts payable decreased by \$14,525.

Deferred Inflows of Resources

Deferred inflows of resources represent HUD operating subsidy drawn in advance of obligation period.

Net Position

The net position of the Authority decreased by \$374,984. Due to current year operating expenses in excess of operating revenues.

The Authority's unrestricted component of net position decreased from \$1,606,380 to \$1,296,966, a decrease of \$309,414 or 19%. This is due to the use of reserves for the completion of capital improvements. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
June 30, 2025

Housing Authority Activities & Highlights – (Continued)

The table below summarizes the overall operations for the past two years for the years ending June 30, 2025, and June 30, 2024.

***Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended June 30, 2025, and 2024***

Category	6/30/2025	6/30/2024	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 537,546	\$ 524,841	\$ 12,705	2%
Government Operating Grants	\$ 651,732	\$ 1,056,518	\$ (404,786)	-38%
Capital Grants	\$ 60,192	\$ -	\$ 60,192	100%
Other Revenue	\$ 73,353	\$ 14,161	\$ 59,192	418%
Interest Income	\$ 2,436	\$ 5,291	\$ (2,855)	-54%
Total Revenue	\$ 1,325,259	\$ 1,600,811	\$ (275,552)	-17%
Expenses:				
Administration	\$ 394,549	\$ 302,939	\$ 91,610	30%
Tenant Services	\$ 48	\$ 7,408	\$ (7,360)	-99%
Utilities	\$ 25,917	\$ 20,595	\$ 5,322	26%
Ordinary Maintenance	\$ 579,847	\$ 504,349	\$ 75,498	15%
Protective Services	\$ -	\$ 2,215	\$ (2,215)	-100%
General/Insurance Expense	\$ 413,537	\$ 350,165	\$ 63,372	18%
Depreciation	\$ 286,345	\$ 225,975	\$ 60,370	27%
Interest Expense	\$ -	\$ 15	\$ (15)	-100%
Total Expenses	\$ 1,700,243	\$ 1,413,661	\$ 286,582	20%
Excess (Deficiency) Before Special Items	\$ (374,984)	\$ 187,150	\$ (562,134)	-300%
Special Item/Casualty Losses	\$ -	\$ 67,257	\$ (67,257)	-100%
Change in Net Position	\$ (374,984)	\$ 119,893	\$ (494,877)	-413%
Net Position, Beginning of Year	\$ 4,413,082	\$ 4,293,189	\$ 119,893	3%
Net Position, End of Year	\$ 4,038,098	\$ 4,413,082	\$ (374,984)	-8%

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)

June 30, 2025

Housing Authority Activities & Highlights – (Continued)

Results of Operations

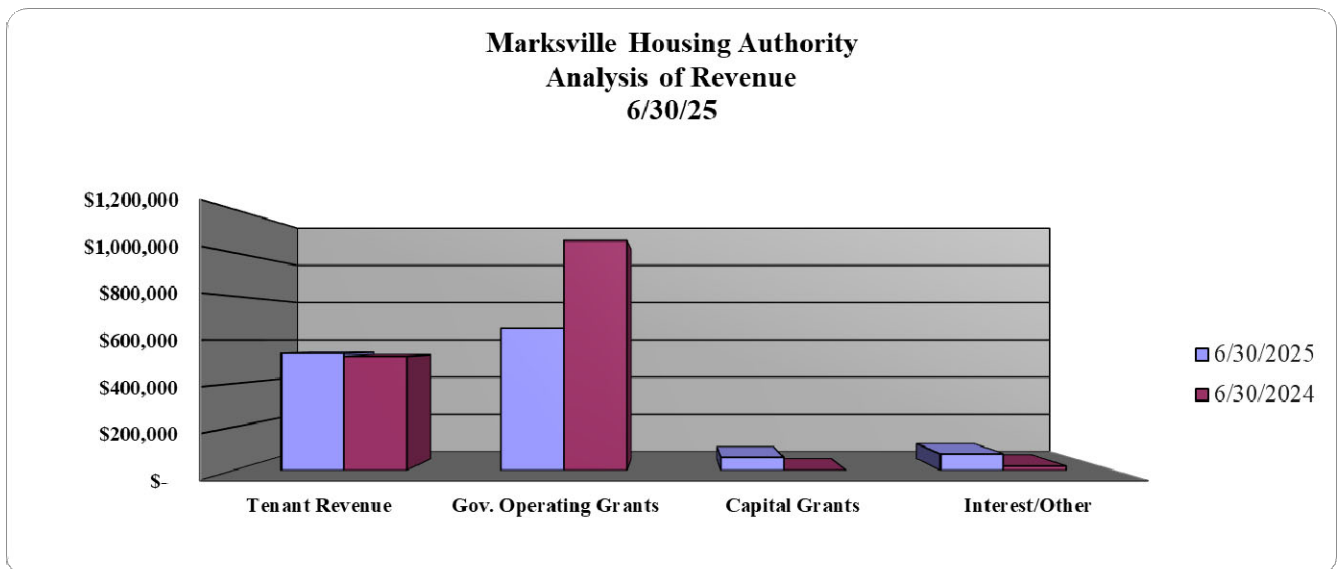
Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority’s revenue decreased by \$275,552 or 17%. Significant changes noted include the following:

- Government operating grants decreased by \$404,786 or 38%, primarily due to the PHA decreasing CFP operating funds by \$460,411. Low rent operation subsidy increased by \$55,625.
- CFP capital grants increased by \$60,192. Further explanation is provided in the Capital Assets section.
- Other revenue increased by \$59,192 or 418%.

Total expenses increased by \$286,582. Significant differences include the following:

- Administration expense increased by \$91,610 or 30%. This is primarily due to an increase in administration salaries of \$45,637, employee benefit contributions of \$32,899, advertising and marketing of \$4,742, legal of \$3,062 and other administrative expenses of \$4,620.
- Ordinary maintenance expense increased by \$75,498 or 15%. This was primarily due to an increase in maintenance salaries by \$86,067, benefits of \$26,197, and materials of \$34,588. In contrast, landscape & grounds contracts decreased by \$64,782.
- General/insurance expense increased by \$63,372 or 18%. Property insurance increased by \$28,008 and compensated absences increased by \$30,251
- Casualty losses consisted of finalization of repairs from hurricane damage incurred in fiscal year 2024.

We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:

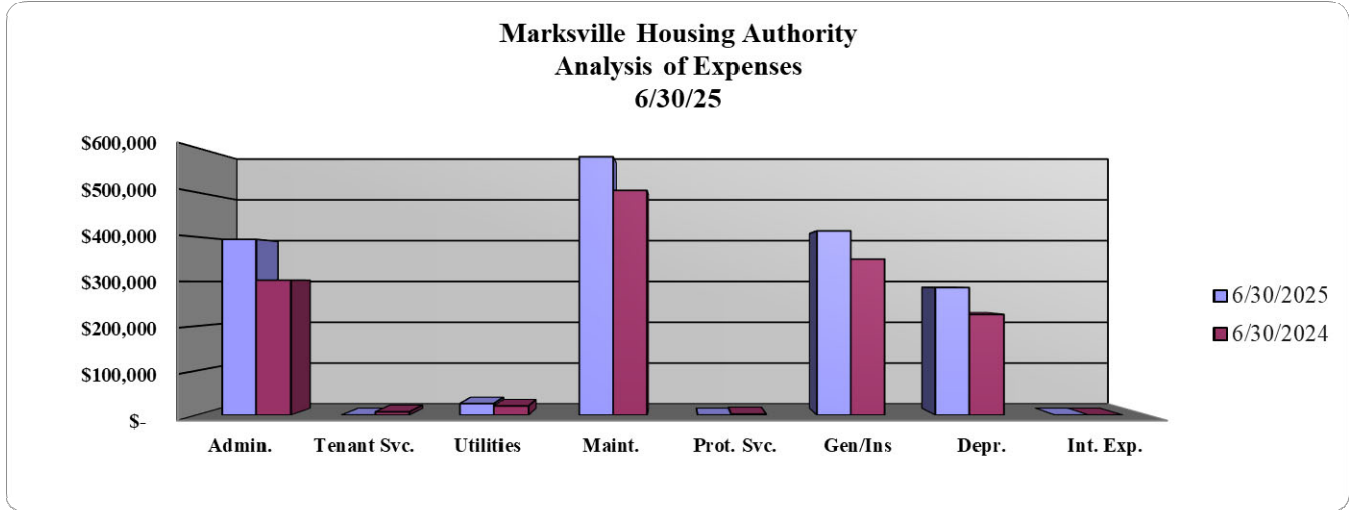


HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
June 30, 2025

Housing Authority Activities & Highlights – (Continued)

Results of Operations – (Continued)



Capital Assets

As of June 30, 2025, the Marksville Housing Authority’s net investment in capital assets was \$2,741,132. This investment includes land, building, equipment, and construction in progress net of accumulated depreciation less related debt.

***Summary Statement of Capital Assets
Years Ended June 30, 2025 and 2024***

<u>Category</u>	6/30/2025	6/30/2024	Change \$	Change %
Land	\$ 183,808	\$ 183,808	\$ -	0%
Buildings	\$ 13,286,578	\$ 11,976,607	\$ 1,309,971	11%
Equipment	\$ 251,124	\$ 225,076	\$ 26,048	12%
Leasehold Improvements	\$ 6,878	\$ 3,870	\$ 3,008	78%
Construction in Progress	\$ 60,192	\$ 1,175,436	\$ (1,115,244)	-95%
Accumulated Depreciation	\$ (11,044,440)	\$ (10,758,095)	\$ (286,345)	3%
Total Net Fixed Assets	\$ 2,744,140	\$ 2,806,702	\$ (62,562)	-2%

Building additions consist of completion of metal roof replacement and smoke detector projects. Equipment additions include lawn mower and office copiers.

Long Term Debt Liability

The Authority classifies a portion of the employees’ leave as long-term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term was \$42,784.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)

June 30, 2025

Subsequent Event

As of the time of this analysis, HUD has not finalized the funding levels for the 2025 calendar year. The operating subsidy for the Low Rent Housing Program is estimated to be funded at 100.00%.

In the upcoming Fiscal Year 25/26 The Marksville Housing Authority's Capital Fund Grant Projects will include items such as replacing GFI's throughout each unit where applicable and deemed non-functional according to INSPIRE protocol. The Agency will also and, where it is deemed hazardous, remove and/or replace playground equipment throughout the various sites.

Currently, the agency has one lawsuit that stemmed from a March 2025 parking lot incident where the agency's maintenance vehicle and a quest of a resident's vehicle were involved in a collision. The owner of the vehicle and two passengers have claimed bodily injury. There is no details to document whether or not a suit can be filed, as there has been nothing further, nor any need for the agency's Vehicle Insurance Provider to assign an attorney to the matter.

Marksville Housing Authority has and is in contract with BRCollins Group, LLC. for extensive training for all staff in every department. There will be new policies and procedures written, as well as an up-to-date Maintenance Plan for the Maintenance Department.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Marksville Housing Authority
Victoria Burise, Executive Director
110 N. Hillside Dr.
Marksville, LA 71351

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF NET POSITION
June 30, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$	1,337,828
Cash - restricted		54,599
Receivables - net of allowances of \$6,296		6,090
Inventory - net of allowances of \$415		3,738
Prepaid expenses		<u>178,766</u>

Total Current Assets 1,581,021

Non-current Assets:

Capital assets:

Land and construction in progress		244,000
Other capital assets, net of depreciation		<u>2,500,140</u>

Total capital assets - net 2,744,140

Total Non-current Assets 2,744,140

DEFERRED OUTFLOWS OF RESOURCES

Total Assets and Deferred Outflow of Resources \$ 4,325,161

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF NET POSITION - (Continued)

June 30, 2025

LIABILITIES

Current Liabilities:

Accounts payable	\$	51,349
Accrued salaries and benefits		52,322
Tenant security deposit liability		37,064
Accrued compensated absences		27,378
Current portion of long-term debt		1,551
Unearned revenues		<u>55,623</u>

Total Current Liabilities 225,287

Non-current Liabilities:

Long term debt, net of current portion		1,457
Compensated absences		<u>42,784</u>

Total Non-current Liabilities 44,241

Total Liabilities 269,528

DEFERRED INFLOWS OF RESOURCES

Excess operating grant		<u>17,535</u>
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Total Deferred Inflow of Resources 17,535

NET POSITION

Net investment in capital assets		2,741,132
Unrestricted		<u>1,296,966</u>

Total Net Position 4,038,098

Total Liabilities, Deferred Inflows of Resources and Net Position \$ 4,325,161

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2025

OPERATING REVENUES	
Tenant revenue	\$ 537,546
Governmental grants and subsidy	651,732
Miscellaneous	<u>73,353</u>
Total operating revenue	<u>1,262,631</u>
OPERATING EXPENSES	
Administrative	394,549
Tenant services	48
Utilities	25,917
Ordinary maintenance and operations	579,847
Insurance	294,873
General	118,664
Depreciation expense	<u>286,345</u>
Total operating expenses	<u>1,700,243</u>
Operating income (loss)	<u>(437,612)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	<u>2,436</u>
Net non-operating revenues (expenses)	<u>2,436</u>
Income (loss) before contributions and transfers	<u>(435,176)</u>
Capital contributions	<u>60,192</u>
Change in net position	(374,984)
Total net position - beginning of year	<u>4,413,082</u>
Total net position - end of year	<u>\$ 4,038,098</u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from tenants	\$ 510,057
Received from governmental grants and subsidy	722,765
Received from other operating activities	77,166
Payments for goods and services	(596,496)
Payments to employees	<u>(643,090)</u>
Net cash provided by (used in) operating activities	<u>70,402</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital contributions	60,192
Purchases of capital assets	(223,783)
Receipts (payments) from deferred credits and escrow deposits	<u>3,008</u>
Net cash provided by (used in) capital and related financing activities	<u>(160,583)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts of interest and dividends	<u>3,892</u>
Net cash provided by (used in) investing activities	<u>3,892</u>
Net increase (decrease) in cash and cash equivalents	(86,289)
Cash and cash equivalents at beginning of year	<u>1,478,716</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,392,427</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF CASH FLOWS – (Continued)
For the Year Ended June 30, 2025

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	\$	(437,612)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		286,345
Change in assets and liabilities:		
Receivables, net		39,543
Inventories, net		3,208
Prepaid expenses		54,696
Accounts and other payables		8,264
Tenant security deposit		1,275
Unearned revenues		58,602
Compensated absences		24,820
Accrued expenses		<u>31,261</u>
Net cash provided by (used) by operating activities	\$	<u>70,402</u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of the City of Marksville (Authority) is a public body and a body corporate and politic organized under the laws of the State of Louisiana that is legally separate, fiscally independent and governed by a Board of Commissioners. The Authority was established to provide Low-Rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other applicable federal agencies. Additionally, HUD has entered into Annual Contributions Contract with the Authority for the purpose of administering housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1A. Financial Reporting Entity

The Authority's financial reporting entity comprises the following:

Primary Government: Housing Authority

In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39 and 61, "The Financial Reporting Entity," and includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. On the basis of the application of these criteria, there are no component units which are required to be included in the Authority's financial statements.

1B. Basis of Presentation

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. The operations of each fund are reported as a separate set of self-balancing accounts that are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds consist of three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following fund:

Proprietary Fund Types - This fund is used to account for the Authority's ongoing activities that are similar to those often found in the private sector. The accounting objectives are the determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position. Proprietary fund equity is segregated into net investment in capital assets and restricted and unrestricted net position. The following are the Authority's proprietary fund types:

Enterprise Fund - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1B. Basis of Presentation – (Continued)

The Authority operates the following programs in the enterprise fund:

Public and Indian Housing - The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income individuals.

Public Housing Capital Fund - The purpose of this program is to provide funds annually to housing authorities for the modernization of housing development and for management improvements.

Business Activities – This program was created to provide management services to the Housing Authority of the City of Jena for a specified amount of fee as stated in the Memorandum of Understanding (MOU). This service was discontinued in FY 2022.

1C. 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.

Measurement Focus - The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting - In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

1D. Budgets

Budgets are prepared for regulatory purposes in accordance with the Authority’s contract with HUD on an annual basis for all operating programs and on a project length basis for capital projects funds which are approved by the Board of Commissioners and submitted to HUD for their approval, if required.

1E. Estimates and Assumptions

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 vary from those estimates.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities, and Equity

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2B and 3A.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances consist of miscellaneous, tenants and fraud recovery receivable.

Prepaid Expenses

Prepaid expenditures, such as insurance premiums and deferred costs, which are expected to be written off within the next fiscal year, are included in current assets.

Inventories

Inventories are valued at lower of cost or market on an average cost basis. Inventories consist primarily of maintenance materials and supplies held for consumption. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as assets when purchased and expenses when used.

Capital Assets

Capital assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated acquisition value at the date of donation. It is the policy of the Authority to capitalize all assets with a cost of \$5,000 or greater. The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

Depreciation of all exhaustible capital assets is charged as an expense against operations and is recorded in the Statement of Revenues, Expenses and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	10-40 years
Furniture, equipment and machinery - dwelling	5 years
Furniture, equipment and machinery - administrative	3-15 years

Restricted Assets

Restricted assets include cash of the proprietary fund that are legally restricted as to their use. The primary restricted asset is related to the excess operating subsidy and security deposit fund under the Low Rent program.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities, and Equity - (Continued)

Compensated Absences

The Authority's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term and short-term liabilities based on historical trends. Amounts not expected to be paid within the next fiscal year are classified as long-term liabilities.

Equity Classifications

Equity is classified as net position and displayed in two components:

- 1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

1G. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Inter-fund Transfers

Permanent reallocation of resources between programs of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Revenues, Expenses and Changes in Net Position, all inter-fund transfers between individual programs, if any, have been eliminated.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2A. Program Accounting Requirements

The Authority's complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

Program

Public and Indian Housing
Public Housing Capital Fund
Business Activities

Required By

U.S. Department of Housing and Urban Development
U.S. Department of Housing and Urban Development
Housing Authority

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2025

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (Continued)

2B. Deposits and Investments Laws and Regulations

It is the Authority’s policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. The Authority must maintain a written collateral agreement from all financial institutions pledging collateral to the Authority. As reflected in Note 3A, all deposits were fully insured or collateralized.

Investing is performed in accordance with HUD regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the U.S. Government pledged by its full faith and credit.
- Demand, savings, money-market and certificates of deposit at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC and any deposits in excess of insured amounts are adequately collateralized.

2C. Revenue Restrictions

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Public Housing Capital Fund	Modernization

For the year ended June 30, 2025, the Authority complied, in all material respects, with these revenue restrictions.

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3A. Cash Deposits

As of June 30, 2025, the Authority had the following cash deposits:

Cash deposits	\$ 1,392,227
Petty cash	<u>200</u>
Total	<u>\$ 1,392,427</u>

Following is a reconciliation of the Authority’s deposit balances as of June 30, 2025:

Cash and cash equivalents	\$ 1,337,828
Restricted assets	<u>54,599</u>
Total	<u>\$ 1,392,427</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3A. Cash Deposits - (Continued)

Custodial Credit Risk - Deposits

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2025, the Authority's bank balances of \$1,432,318 were entirely covered by FDIC insurance or by pledged collateral held by the Authority's agent bank in the Authority's name.

3B. Restricted Assets

Restricted assets at June 30, 2025, consist of the following:

Type of Restricted Assets	Cash Including Time Deposits	Investments	Accrued Interest	Total
Excess operating subsidy	\$ 17,535	\$	\$	\$ 17,535
Security deposit	37,064			37,064
Total	\$ 54,599	\$ ----	\$ ----	\$ 54,599

3C. Accounts Receivable

Receivables at June 30, 2025, consist of the following:

Tenants	\$ 8,102		
Less: Allowance for doubtful account - tenants	(3,926)		
Tenants - net of allowance			\$ 4,176
Fraud recovery	4,003		
Less: Allowance for doubtful account - fraud	(2,370)		
Fraud - net of allowance			1,633
Miscellaneous			281
Total Accounts Receivable			\$ 6,090

3D. Prepaid Expenses

Prepaid expenses totaled \$178,766 at June 30, 2025, and consisted of primarily prepaid insurances and deferred costs.

3E. Inventory

Inventory at June 30, 2025, comprised of the following:

Inventory	\$ 4,153
Less: Allowance for obsolete inventory	(415)
Inventory - net of allowance	\$ 3,738

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3F. Right to Use Asset – Subscription

The Authority has recorded the right to use assets under Leasehold Improvement. The assets are right to use assets for subscription for the use of software. The right to use assets are amortized on a straight-line basis over the terms of the related subscription.

	Balance July 1, 2024	Additions	(Retirement)	Balance June 30, 2025
Right to Use Asset:				
Software	\$ 3,870	\$ 3,008	\$ ---	\$ 6,878
Less: accumulated amortization	<u>(2,787)</u>	<u>(1,083)</u>	<u>---</u>	<u>(3,870)</u>
Right to Use Asset, net	<u>\$ 1,083</u>	<u>\$ 1,925</u>	<u>\$ ---</u>	<u>\$ 3,008</u>

3G. Capital Assets

A summary of capital asset activity for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	(Retirement)	Reclass/ Transfers in (out)	Balance June 30, 2025
Non-depreciable assets:					
Land	\$ 183,808	\$ -	\$ -	\$ -	\$ 183,808
Construction in progress	<u>1,175,436</u>	<u>60,192</u>	<u>-</u>	<u>(1,175,436)</u>	<u>60,192</u>
Total non-depreciable assets	<u>1,359,244</u>	<u>60,192</u>	<u>-</u>	<u>(1,175,436)</u>	<u>244,000</u>
Depreciable assets:					
Building	11,976,607	134,535	-	1,175,436	13,286,578
Equipment - dwelling	78,871	-	-	-	78,871
Equipment - administration	146,205	26,048	-	-	172,253
Leasehold improvements	<u>3,870</u>	<u>3,008</u>	<u>-</u>	<u>-</u>	<u>6,878</u>
Total depreciable assets	<u>12,205,553</u>	<u>163,591</u>	<u>-</u>	<u>1,175,436</u>	<u>13,544,580</u>
Accumulated depreciation	<u>(10,758,095)</u>	<u>(286,345)</u>	<u>-</u>	<u>-</u>	<u>(11,044,440)</u>
Total depreciable assets, net	<u>1,447,458</u>	<u>(122,754)</u>	<u>-</u>	<u>1,175,436</u>	<u>2,500,140</u>
Capital assets, net	<u>\$ 2,806,702</u>	<u>\$ (62,562)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,744,140</u>

Depreciation expense is charged to programs as follows:

Business-type Activities	
Public and Indian Housing	\$ <u>286,345</u>
Total depreciation expense	<u>\$ 286,345</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2025

NOTE 3 – DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3H. Accounts Payable

Accounts payable at June 30, 2025, consist of the following:

Vendors & contractors	\$ 25,331
HUD	1,456
PILOT	22,789
Accrued utilities	<u>1,773</u>
Total Accounts Payable	<u>\$ 51,349</u>

3I. Subscription Liability

The Authority entered into a subscription agreement for 24 months for the use of software. The subscription liability is measured at a discount rate of 2.5% which is the stated rate in the subscription agreement. As a result of the subscription, the Authority has recorded a right to use asset with a book value of \$3,008 at June 30, 2025. The right to use asset is discussed in more detail in Note 3F.

Principal and interest payments under the subscription are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2026	\$ 1,551	\$ 112	\$ 1,663
2027	<u>1,457</u>	<u>---</u>	<u>1,457</u>
	<u>\$ 3,008</u>	<u>\$ 112</u>	<u>\$ 3,120</u>

3J. Non-current liabilities

Non-current liabilities at June 30, 2025, consist of the following:

Subscription	\$ 1,457
Accrued compensated absences	<u>42,784</u>
Total	<u>\$ 44,241</u>

Changes in non-current liabilities

The following is the summary of changes in non-current liabilities:

Description	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Amounts Due within One Year
Subscription	\$ ---	\$ 1,457	\$ ---	\$ 1,457	\$ 1,551
Accrued compensated absences	<u>\$ 28,377</u>	<u>\$ 14,407</u>	<u>\$ ---</u>	<u>\$ 42,784</u>	<u>\$ 27,378</u>
Total	<u>\$ 28,377</u>	<u>\$ 15,864</u>	<u>\$ ---</u>	<u>\$ 44,241</u>	<u>\$ 28,929</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2025

NOTE 4 – OTHER NOTES

4A. Employee Pension Plan

The Authority provides pension benefits for all of its full-time employees through a Simplified Employee Pension (SEP). A SEP is a written arrangement (a plan) that allows an employer to make deductible contributions for the benefit of participating employees. The contributions are made to individual retirement arrangements (IRAs) set up for participants in the Plan administered by Edward Jones Inc.

An eligible employee is an individual who meets the following requirements:

- * Has attained age 21
- * Perform services during at least three of the immediately preceding five years
- * Has received at least \$600 in compensation in the year

The Housing Authority Board can decide from year to year if a SEP contribution and the amount that will be made to the SEP Plan. The plan requires the Authority to contribute 13% of covered wages.

The following information is related to the defined contribution plan at June 30, 2025:

Total payroll	\$	451,625
Total payroll for eligible participants	\$	448,623
Employer contributions	\$	58,321

4B. Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The Authority manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>
a. Torts, errors and omissions	Purchased insurance with Arthur J. Gallagher Risk Management Services, Inc.
b. Injuries to employees (workers' compensation)	Purchased insurance with Arthur J. Gallagher Risk Management Services, Inc. Claims are administered by the same company.
c. Physical property loss and natural disasters	Purchased commercial insurance with \$5,000 deductibles.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
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NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
June 30, 2025

NOTE 4 – OTHER NOTES - (Continued)

4C. Contingencies

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

4D. Commitments - Construction

At June 30, 2025, the Authority had the following projects in progress. The commitments related to these projects are summarized as follows:

	<u>Funds Approved</u>	<u>Funds Expended - Project to Date</u>
CFP 501-23	\$ 489,036	\$ 86,979

4E. Financial Data Schedule

The Authority prepares its Financial Data Schedule (FDS) in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The FDS format excludes depreciation expense and includes capital contributions and investment income in operating activities, which differs from the presentation of basic financial statements.

4F. 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 December 11, 2025, and concluded that no subsequent events have occurred that would require adjustment to or disclosures within these financial statements.

4G. Economic Dependency

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2026 federal budget.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
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FINANCIAL DATA SCHEDULE
Year Ended June 30, 2025

	Project Total	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,304,829	\$32,999	\$1,337,828	\$0	\$1,337,828
114 Cash - Tenant Security Deposits	\$37,064		\$37,064	\$0	\$37,064
115 Cash - Restricted for Payment of Current Liabilities	\$17,535		\$17,535	\$0	\$17,535
100 Total Cash	\$1,359,428	\$32,999	\$1,392,427	\$0	\$1,392,427
125 Accounts Receivable - Miscellaneous	\$281		\$281	\$0	\$281
126 Accounts Receivable - Tenants	\$8,102		\$8,102	\$0	\$8,102
126.1 Allowance for Doubtful Accounts -Tenants	-\$3,926		-\$3,926	\$0	-\$3,926
128 Fraud Recovery	\$4,003		\$4,003	\$0	\$4,003
128.1 Allowance for Doubtful Accounts - Fraud	-\$2,370		-\$2,370	\$0	-\$2,370
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$6,090	\$0	\$6,090	\$0	\$6,090
142 Prepaid Expenses and Other Assets	\$178,766		\$178,766	\$0	\$178,766
143 Inventories	\$4,153		\$4,153	\$0	\$4,153
143.1 Allowance for Obsolete Inventories	-\$415		-\$415	\$0	-\$415
150 Total Current Assets	\$1,548,022	\$32,999	\$1,581,021	\$0	\$1,581,021
161 Land	\$183,808		\$183,808	\$0	\$183,808
162 Buildings	\$13,286,578		\$13,286,578	\$0	\$13,286,578
163 Furniture, Equipment & Machinery - Dwellings	\$78,871		\$78,871	\$0	\$78,871
164 Furniture, Equipment & Machinery - Administration	\$172,253		\$172,253	\$0	\$172,253
165 Leasehold Improvements	\$6,878		\$6,878	\$0	\$6,878
166 Accumulated Depreciation	-\$11,044,440		-\$11,044,440	\$0	-\$11,044,440
167 Construction in Progress	\$60,192		\$60,192	\$0	\$60,192
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,744,140	\$0	\$2,744,140	\$0	\$2,744,140
180 Total Non-Current Assets	\$2,744,140	\$0	\$2,744,140	\$0	\$2,744,140
200 Deferred Outflow of Resources	\$0		\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$4,292,162	\$32,999	\$4,325,161	\$0	\$4,325,161

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
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FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2025

	Project Total	1 Business Activities	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$25,331		\$25,331	\$0	\$25,331
321 Accrued Wage/Payroll Taxes Payable	\$52,322		\$52,322	\$0	\$52,322
322 Accrued Compensated Absences - Current Portion	\$27,378		\$27,378	\$0	\$27,378
331 Accounts Payable - HUD PHA Programs	\$1,456		\$1,456	\$0	\$1,456
333 Accounts Payable - Other Government	\$22,789		\$22,789	\$0	\$22,789
341 Tenant Security Deposits	\$37,064		\$37,064	\$0	\$37,064
342 Unearned Revenue	\$55,623		\$55,623	\$0	\$55,623
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$1,551		\$1,551	\$0	\$1,551
346 Accrued Liabilities - Other	\$1,773		\$1,773	\$0	\$1,773
310 Total Current Liabilities	\$225,287	\$0	\$225,287	\$0	\$225,287
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$1,457		\$1,457	\$0	\$1,457
354 Accrued Compensated Absences - Non Current	\$42,784		\$42,784	\$0	\$42,784
350 Total Non-Current Liabilities	\$44,241	\$0	\$44,241	\$0	\$44,241
300 Total Liabilities	\$269,528	\$0	\$269,528	\$0	\$269,528
400 Deferred Inflow of Resources	\$17,535		\$17,535		\$17,535
508.4 Net Investment in Capital Assets	\$2,741,132	\$0	\$2,741,132		\$2,741,132
512.4 Unrestricted Net Position	\$1,263,967	\$32,999	\$1,296,966		\$1,296,966
513 Total Equity - Net Assets / Position	\$4,005,099	\$32,999	\$4,038,098	\$0	\$4,038,098
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,292,162	\$32,999	\$4,325,161	\$0	\$4,325,161

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2025

	Project Total	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$502,363		\$502,363	\$0	\$502,363
70400 Tenant Revenue - Other	\$35,183		\$35,183	\$0	\$35,183
70500 Total Tenant Revenue	\$537,546	\$0	\$537,546	\$0	\$537,546
70600 HUD PHA Operating Grants	\$651,732		\$651,732	\$0	\$651,732
70610 Capital Grants	\$60,192		\$60,192	\$0	\$60,192
71100 Investment Income - Unrestricted	\$2,347	\$89	\$2,436	\$0	\$2,436
71500 Other Revenue	\$73,353		\$73,353	\$0	\$73,353
70000 Total Revenue	\$1,325,170	\$89	\$1,325,259	\$0	\$1,325,259
91100 Administrative Salaries	\$184,844		\$184,844	\$0	\$184,844
91200 Auditing Fees	\$8,300		\$8,300	\$0	\$8,300
91400 Advertising and Marketing	\$5,246		\$5,246	\$0	\$5,246
91500 Employee Benefit contributions - Administrative	\$109,601		\$109,601	\$0	\$109,601
91600 Office Expenses	\$25,552	\$145	\$25,697	\$0	\$25,697
91700 Legal Expense	\$10,706		\$10,706	\$0	\$10,706
91800 Travel	\$6,028		\$6,028	\$0	\$6,028
91900 Other	\$43,804	\$323	\$44,127	\$0	\$44,127
91000 Total Operating - Administrative	\$394,081	\$468	\$394,549	\$0	\$394,549
92400 Tenant Services - Other	\$48		\$48	\$0	\$48
92500 Total Tenant Services	\$48	\$0	\$48	\$0	\$48
93100 Water	\$1,885		\$1,885	\$0	\$1,885
93200 Electricity	\$19,722		\$19,722	\$0	\$19,722
93300 Gas	\$2,544		\$2,544	\$0	\$2,544
93600 Sewer	\$1,766		\$1,766	\$0	\$1,766
93000 Total Utilities	\$25,917	\$0	\$25,917	\$0	\$25,917

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
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FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2025

	Project Total	1 Business Activities	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$244,528		\$244,528	\$0	\$244,528
94200 Ordinary Maintenance and Operations - Materials and Other	\$110,223	\$2,757	\$112,980	\$0	\$112,980
94300 Ordinary Maintenance and Operations Contracts	\$104,694		\$104,694	\$0	\$104,694
94500 Employee Benefit Contributions - Ordinary Maintenance	\$117,645		\$117,645	\$0	\$117,645
94000 Total Maintenance	\$577,090	\$2,757	\$579,847	\$0	\$579,847
96110 Property Insurance	\$204,546		\$204,546	\$0	\$204,546
96120 Liability Insurance	\$8,299		\$8,299	\$0	\$8,299
96130 Workmen's Compensation	\$5,995		\$5,995	\$0	\$5,995
96140 All Other Insurance	\$76,033		\$76,033	\$0	\$76,033
96100 Total insurance Premiums	\$294,873	\$0	\$294,873	\$0	\$294,873
96200 Other General Expenses	\$1,212		\$1,212	\$0	\$1,212
96210 Compensated Absences	\$60,135		\$60,135	\$0	\$60,135
96300 Payments in Lieu of Taxes	\$22,789		\$22,789	\$0	\$22,789
96400 Bad debt - Tenant Rents	\$34,528		\$34,528	\$0	\$34,528
96000 Total Other General Expenses	\$118,664	\$0	\$118,664	\$0	\$118,664
96900 Total Operating Expenses	\$1,410,673	\$3,225	\$1,413,898	\$0	\$1,413,898
97000 Excess of Operating Revenue over Operating Expenses	-\$85,503	-\$3,136	-\$88,639	\$0	-\$88,639
97400 Depreciation Expense	\$286,345		\$286,345	\$0	\$286,345
90000 Total Expenses	\$1,697,018	\$3,225	\$1,700,243	\$0	\$1,700,243
10010 Operating Transfer In	\$26,787		\$26,787	-\$26,787	\$0
10020 Operating transfer Out	-\$26,787		-\$26,787	\$26,787	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$371,848	-\$3,136	-\$374,984	\$0	-\$374,984

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2025

	Project Total	1 Business Activities	Subtotal	ELIM	Total
11030 Beginning Equity	\$4,376,947	\$36,135	\$4,413,082	\$0	\$4,413,082
11190 Unit Months Available	2016		2016	0	2016
11210 Number of Unit Months Leased	1959		1959	0	1959
11270 Excess Cash	\$1,022,675		\$1,022,675		\$1,022,675
11620 Building Purchases	\$194,727		\$194,727		\$194,727
11640 Furniture & Equipment - Administrative Purchases	\$26,048		\$26,048		\$26,048
11650 Leasehold Improvements Purchases	\$3,008		\$3,008		\$3,008

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR
CHIEF EXECUTIVE DIRECTOR**

Year Ended June 30, 2025

Agency Head Name: Victoria Burise

EXPENDITURE PURPOSE

Salary	\$	98,249
Benefits – Insurance		14,972
Benefits – Retirement		14,220
Benefits (List any other here)		---
Car allowance		---
Vehicle provided by government		---
Per diem		---
Reimbursements for travel (cc limit is only \$1,000)		2,964
Travel		323
Registration fees		849
Conference Travel		---
Continuing professional education fees		---
Housing		---
Unvouchered expenses*		---
Special meals		---
		<hr/>
TOTAL	\$	131,577

* An example of unvouchered expense would be a travel advance

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
Year Ended June 30, 2025

Board members serve without compensation.



Audit Solutions, LLC.

Certified Public Accountant

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 Marksville
Marksville, 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 business-type activities of the Housing Authority of the City of Marksville (Authority), Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued my report thereon dated December 11, 2025.

Report on 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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

Report on 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 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 my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is distributed by the Louisiana Legislative Auditor's Office as a public document and its distribution is not limited.



Shoaib Khar, CPA

Audit Solutions, LLC

Chesterfield, Missouri

December 11, 2025



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITORS REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of Marksville
Marksville, Louisiana

I have performed the procedure described in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Marksville (Authority) and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

I compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of my agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

I was engaged to perform an audit for the Authority as of and for the year ended June 30, 2025 and have issued my reports thereon dated December 11, 2025. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of the audit. Further, my opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated December 11, 2025, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package, which includes the auditor's report, is available in its entirety from the Authority. I have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, I take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report was intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink, appearing to read 'Shoaib'.

Shoaib Khar, CPA

Audit Solutions, LLC

Chesterfield, Missouri
December 11, 2025

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

AGREED UPON PROCEDURES
June 30, 2025

Procedure	UFRS Rule Information	Hard Copy Document(s)	Agrees
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	√
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	√
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	√
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	√

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

CURRENT FINDINGS, RECOMMENDATIONS AND REPLIES
June 30, 2025

The current audit report for the year ended December 31, 2024, disclosed no audit findings.