

**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, 2019

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	i-vi
Basic Financial Statements:	
Statement of Net Position	3-4
Statement of Revenue, Expenses and Changes in Net Position	5
Statement of Cash Flows	6-7
Notes to the Basic Financial Statements	8-17
SUPPLEMENTARY INFORMATION	
Financial Data Schedule	18-20
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	21
Schedule of Compensation Paid to Board Members	22
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23-24
Significant Deficiencies Communicated in Prior Year	25
Current Findings, Recommendations and Replies	26



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 Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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 Housing Authority of the City of Marksville, Louisiana, as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Housing Authority of the City of Marksville’s basic financial statements. The accompanying Financial Data Schedule and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Financial Data Schedule and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying Financial Data Schedule and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, I have also issued my report dated December 5, 2019 on my consideration of the Authority’s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

Audit Solutions, LLC.

Chesterfield, Missouri
December 5, 2019

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2019

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, 2019. The Marksville Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended June 30, 2019, 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:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The 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 the two 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 does 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, 2019, 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, 2019

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 to financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended June 30, 2019.

Financial Highlights

- The Marksville Housing Authority’s net position decreased from \$2,945,027 to \$2,816,273, a decrease of \$128,754 or 4%. The total assets also decreased by \$130,946 or 4%.
- Total revenues decreased from \$1,113,112 to \$881,663, a decrease of \$231,449 or 21%.
- Total expenses increased by \$16,835, from \$993,582 to \$1,010,417 for the current year. This represents an increase of 2%.

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, 2019, and June 30, 2018.

***Summary Statement of Net Position
Years Ended June 30, 2019 and 2018***

Category	6/30/2019	6/30/2018	Change \$	Change %
Current Assets	\$ 1,057,791	\$ 1,040,403	\$ 17,388	2%
Fixed Assets (Net of Depreciation)	\$ 1,875,922	\$ 2,024,256	\$ (148,334)	-7%
Total Assets	\$ 2,933,713	\$ 3,064,659	\$ (130,946)	-4%
Current Liabilities	\$ 95,590	\$ 89,861	\$ 5,729	6%
Non-Current Liabilities	\$ 21,850	\$ 29,771	\$ (7,921)	-27%
Total Liabilities	\$ 117,440	\$ 119,632	\$ (2,192)	-2%
Unrestricted	\$ 940,351	\$ 920,771	\$ 19,580	2%
Net Investment in Capital Assets	\$ 1,875,922	\$ 2,024,256	\$ (148,334)	-7%
Total Net Position	\$ 2,816,273	\$ 2,945,027	\$ (128,754)	-4%

Current Assets

Current assets increased by \$17,388. Total cash increased from \$947,113 to \$967,310, an increase of \$20,197 from June 30, 2018 to June 30, 2019.

Non-Current Assets

Noncurrent assets decreased by \$148,334 due primarily to accumulated depreciation incurred in the current year. More details are provided in the Capital Assets section in a subsequent paragraph.

Current Liabilities

Current liabilities increased by \$5,729 or 6% from the previous year. This was due primarily to an increase in the current portion of accrued compensated absences of \$1,961 and an increase in accounts payable other government, PILOT, of \$3,516.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

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

June 30, 2019

Housing Authority Activities & Highlights – (Continued)

Non-Current Liabilities

Noncurrent liabilities decreased by \$7,921, or 27% due to a decrease in the non-current portion of the accrued compensated absences.

Net Position

The net position of the Authority decreased by \$128,754 from the previous fiscal year.

The Authority's unrestricted component of net position increased from \$920,771 to \$940,351, an increase of \$19,580, or 2% for the current year. The principal reason for the increase is due to operating revenues exceeding operating expenses in the current fiscal year. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

The table below summarizes the overall operations for the past two years for the years ending June 30, 2019, and June 30, 2018.

***Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended June 30, 2019 and 2018***

Category	6/30/2019	6/30/2018	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 442,199	\$ 441,482	\$ 717	0%
Government Operating Grants	\$ 404,010	\$ 427,485	\$ (23,475)	-5%
Capital Grants	\$ 14,425	\$ 209,870	\$ (195,445)	-93%
Other Revenue	\$ 18,520	\$ 31,742	\$ (13,222)	-42%
Interest Income	\$ 2,509	\$ 2,533	\$ (24)	-1%
Total Revenue	\$ 881,663	\$ 1,113,112	\$ (231,449)	-21%
Expenses:				
Administration	\$ 218,917	\$ 222,841	\$ (3,924)	-2%
Tenant Services	\$ 404	\$ 6,595	\$ (6,191)	-94%
Utilities	\$ 14,572	\$ 14,186	\$ 386	3%
Ordinary Maintenance	\$ 417,331	\$ 415,456	\$ 1,875	0%
Protective Services	\$ -	\$ 1,310	\$ (1,310)	-100%
General/Insurance Expense	\$ 188,944	\$ 170,136	\$ 18,808	11%
Nonroutine Maintenance	\$ -	\$ 8,400	\$ (8,400)	-100%
Depreciation	\$ 170,249	\$ 154,658	\$ 15,591	10%
Total Expenses	\$ 1,010,417	\$ 993,582	\$ 16,835	2%
Excess (Deficiency) Before Special Items	\$ (128,754)	\$ 119,530	\$ (248,284)	-208%
Special Item/Casualty Losses	\$ -	\$ (5,954)	\$ 5,954	-100%
Change in Net Position	\$ (128,754)	\$ 113,576	\$ (242,330)	-213%
Net Position, Beginning of Year	\$ 2,945,027	\$ 2,831,451	\$ 113,576	4%
Net Position, End of Year	\$ 2,816,273	\$ 2,945,027	\$ (128,754)	-4%

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

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

June 30, 2019

Housing Authority Activities & Highlights – (Continued)

Results of Operations

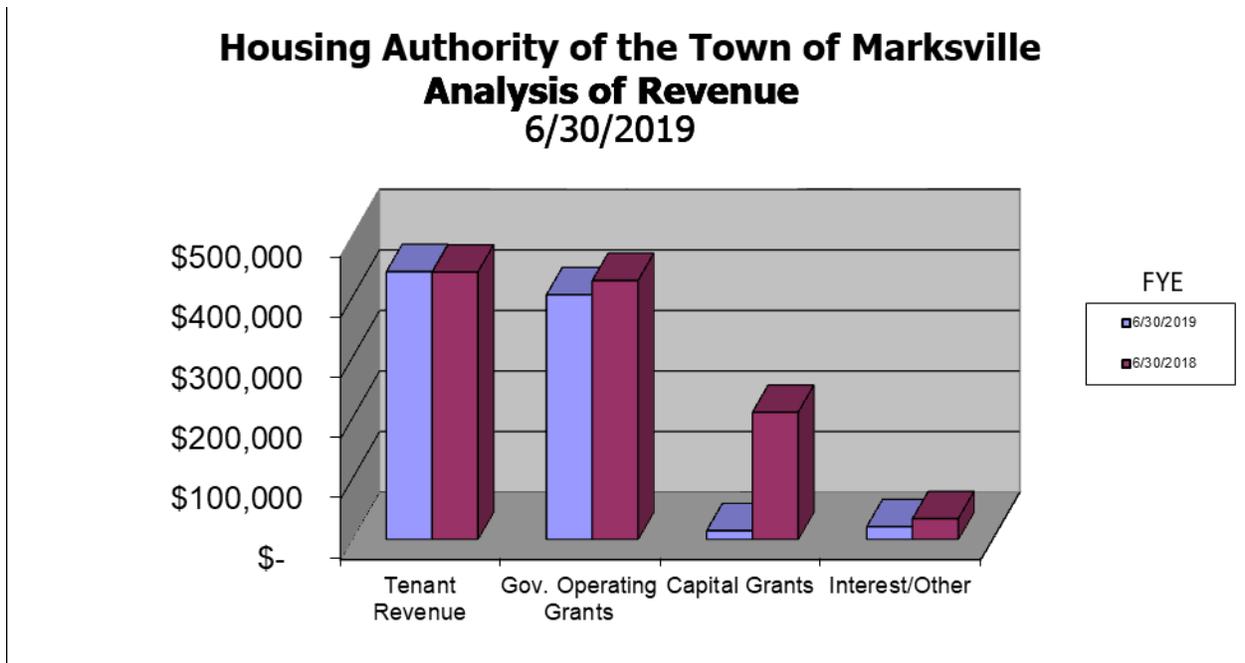
Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue decreased by \$231,449 during the current fiscal year. Significant changes noted between the prior and current fiscal years include:

- HUD Operating Subsidy decreased by \$23,475 or 5% from the previous fiscal year total of \$427,485 to the June 30, 2019 total of \$404,010.
- Capital grants decreased by \$195,445 due to a decrease in capital activity funded by the Capital Fund Program.
- Other revenue decreased from \$31,742 to \$18,520 in the current year. This was primarily due to casualty loss insurance proceeds received in the previous year of \$13,792.

Total expenses increased by \$16,835 from the previous fiscal year. Significant differences between the years include:

- Tenant services expenses decreased by \$6,191. This was primarily due to relocation costs of \$6,595 incurred during the previous year.
- General/insurance increased from \$170,136 to \$188,944 in the current year, a difference of \$18,808 or 11%. This was primarily due to an increase in property insurance of \$14,843 and an increase in workmen's compensation insurance of \$8,374.

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



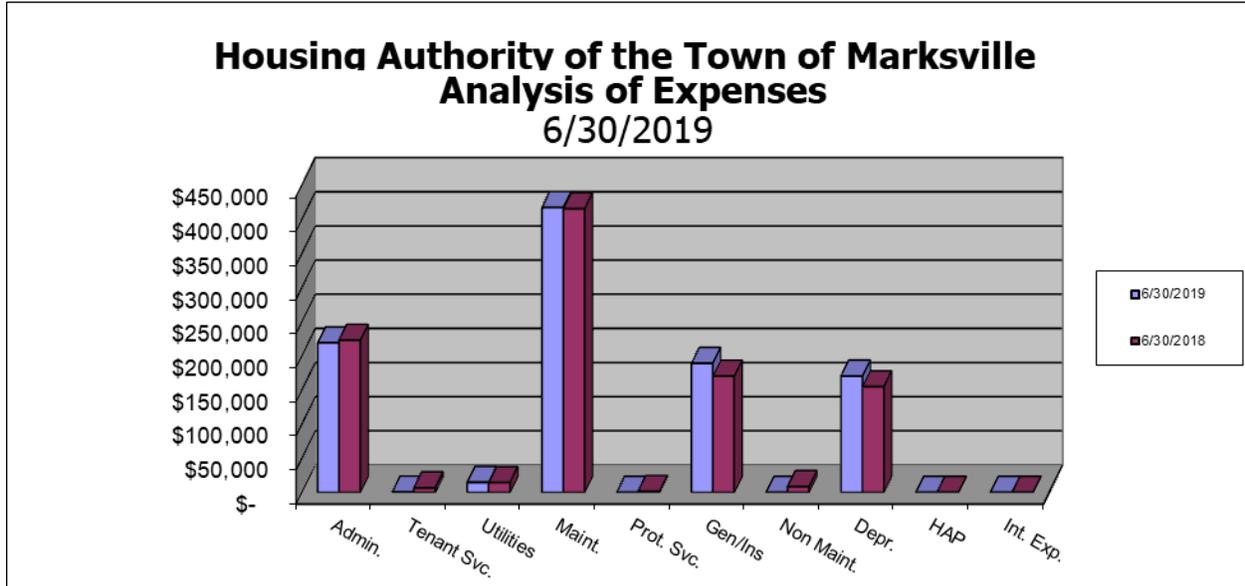
HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

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

June 30, 2019

Housing Authority Activities & Highlights – (Continued)

Results of Operations – (Continued)



Capital Assets

As of June 30, 2019, the Marksville Housing Authority’s net investment in capital assets was \$1,875,922. This investment includes land, building, equipment, and construction in progress net of accumulated depreciation.

Category	6/30/2019	6/30/2018	Change \$	Change %
Land	\$ 183,808	\$ 183,808	\$ -	0%
Buildings	\$ 11,253,810	\$ 11,056,171	\$ 197,639	2%
Equipment	\$ 175,784	\$ 168,294	\$ 7,490	4%
Construction in Progress	\$ -	\$ 183,214	\$ (183,214)	-100%
Accumulated Depreciation	\$ (9,737,480)	\$ (9,567,231)	\$ (170,249)	2%
Total Net Fixed Assets	\$ 1,875,922	\$ 2,024,256	\$ (148,334)	-7%

The addition to the building account is from a bathroom renovation project that was funded with the 2016 and 2017 Capital Fund Program Grants. A security camera system was the reason for the increase of equipment.

Long Term Debt Liability

The Authority classifies a portion of the employee’s 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 \$21,850, a net decrease of \$7,921 from the previous year.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

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

June 30, 2019

Subsequent Event

HUD has finalized the funding levels for the 2019 calendar year. The operating subsidy for the Low Rent Housing Program will be funded at 96.33%.

Future CFP contracts will involve metal roofing and gutters for all apartment buildings, as well as the maintenance building. It will also include a fair amount of exterior cleanup on four sites where there is playground equipment needing repairs and updates. This cleanup will include several tree removals that are affecting the building structures.

This PHA anticipates there will be a concern in terms of future funding. Because of this concern of a possible decrease in operational funding we are looking into annual budget items that can be adjusted to stabilize the PHA's funds in the case there is a decrease in funding. One item in particular will be lawncare service. The PHA will look into perhaps purchasing an additional lawn tractor to allot on-staff personal to perform applicable lawn service. This will release funds obligated to any contractor services that have been rendered in the past.

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, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$	934,085
Cash - restricted		33,225
Receivables - net of allowances		2,560
Inventory - net of allowances		2,201
Prepaid expenses		<u>85,720</u>

Total Current Assets 1,057,791

Non-current Assets:

Capital assets:

Land and construction in progress		183,808
Other capital assets, net of depreciation		<u>1,692,114</u>

Total capital assets - net 1,875,922

Total Non-current Assets 1,875,922

Total Assets and Deferred Outflow of Resources \$ 2,933,713

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

STATEMENT OF NET POSITION - (Continued)

June 30, 2019

LIABILITIES

Current Liabilities:

Accounts payable	\$	30,807
Accrued salaries and benefits		9,135
Tenant security deposit liability		33,225
Accrued compensated absences		19,292
Unearned revenues		<u>3,131</u>

Total Current Liabilities 95,590

Non-current Liabilities:

Compensated absences		<u>21,850</u>
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Total Non-current Liabilities 21,850

Total Liabilities 117,440

NET POSITION

Net investment in capital assets		1,875,922
Unrestricted		<u>940,351</u>

Total Net Position 2,816,273

Total Liabilities, Deferred Inflows of Resources and Net Position \$ 2,933,713

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, 2019

OPERATING REVENUES	
Tenant revenue	\$ 442,199
Governmental grants and subsidy	404,010
Miscellaneous	<u>18,520</u>
Total operating revenue	<u>864,729</u>
OPERATING EXPENSES	
Administrative	218,917
Tenant services	404
Utilities	14,572
Ordinary maintenance and operations	417,331
Insurance	121,263
General	67,681
Depreciation expense	<u>170,249</u>
Total operating expenses	<u>1,010,417</u>
Operating income (loss)	<u>(145,688)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	<u>2,509</u>
Net non-operating revenues (expenses)	<u>2,509</u>
Income (loss) before contributions and transfers	<u>(143,179)</u>
Capital contributions	<u>14,425</u>
Change in net position	(128,754)
Total net position - beginning of year	<u>2,945,027</u>
Total net position - end of year	<u>\$ 2,816,273</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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from tenants	\$ 437,643
Received from governmental grants and subsidy	404,010
Received from other operating activities	12,716
Payments for goods and services	(343,139)
Payments to employees	(466,779)
Payment in lieu of taxes	<u>(19,273)</u>
Net cash provided by (used in) operating activities	<u>25,178</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital contributions	14,425
Purchases of capital assets	<u>(21,915)</u>
Net cash provided by (used in) capital and related financing activities	<u>(7,490)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts of interest and dividends	<u>2,509</u>
Net cash provided by (used in) investing activities	<u>2,509</u>
Net increase (decrease) in cash and cash equivalents	20,197
Cash and cash equivalents at beginning of year	<u>947,113</u>
Cash and cash equivalents at end of year	<u>\$ 967,310</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, 2019

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (145,688)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	170,249
Change in assets and liabilities:	
Receivables, net	4,109
Inventories, net	2,655
Prepaid expenses	(3,955)
Accounts and other payables	3,866
Tenant security deposit	1,850
Unearned revenues	(1,799)
Compensated absences	(5,960)
Accrued expenses	<u>(149)</u>
Net cash provided by (used) by operating activities	\$ <u><u>25,178</u></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, 2019

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 relating 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 a 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, 2019

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 - Low Rent - 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 the housing development and for management improvements.

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 require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

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.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2019

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

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

Cash and Investments - (Continued)

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 tenant accounts receivable, fraud recovery and miscellaneous receivable.

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.

Fixed Assets

Fixed assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair 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 fixed 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	3-5 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 security deposit fund under the Low Rent program.

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.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2019

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

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

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:

<u>Program</u>	<u>Required By</u>
Public and Indian Housing	U.S. Department of Housing and Urban Development
Public Housing Capital Fund	U.S. Department of Housing and Urban Development

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.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2019

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

2B. Deposits and Investments Laws and Regulations - (Continued)

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, 2019, the Authority complied, in all material respects, with these revenue restrictions.

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

3A. Cash Deposits and Investments

As of June 30, 2019, the Authority had the following cash deposits and investments:

Cash deposits	\$ 967,110
Petty cash	<u>200</u>
Total	<u><u>\$ 967,310</u></u>

Following is a reconciliation of the Authority's deposit balances as of June 30, 2019:

Cash and cash equivalents	\$ 934,085
Restricted assets	<u>33,225</u>
Total	<u><u>\$ 967,310</u></u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2019

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

3A. Cash Deposits and Investments - (Continued)

Deposits

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, 2019, the Authority's bank balances of \$979,649 were entirely covered by FDIC insurance or by pledged collateral held by the Authority's agent bank in the Authority's name.

Investments

Custodial Credit Risk - Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At June 30, 2019, the Authority had no investments.

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organization. The Authority had no investments at June 30, 2019. As such, credit risk is not applicable to the Authority.

3B. Restricted Assets

Restricted assets at June 30, 2019 consist of the following:

<u>Type of Restricted Assets</u>	<u>Cash Including Time Deposits</u>	<u>Investments</u>	<u>Accrued Interest</u>	<u>Total</u>
Security deposit	\$ <u>33,225</u>	\$ <u>----</u>	\$ <u>----</u>	\$ <u>33,225</u>

3C. Accounts Receivable

Receivables at June 30, 2019 consist of the following:

Tenants	\$ 1,862	
Less: Allowance for doubtful account - tenants	<u>(184)</u>	\$ 1,678
Fraud recovery	1,042	
Less: Allowance for doubtful account - fraud	<u>(441)</u>	<u>601</u>
Tenants - net of allowance		2,279
Other – Miscellaneous		<u>281</u>
Total Accounts Receivable		\$ <u>2,560</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2019

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

3D. Inventory

Inventory at June 30, 2019 comprised of the following:

Inventory	\$	2,446
Less: Allowance for obsolete inventory		<u>(245)</u>
Inventory - net of allowance	\$	<u>2,201</u>

3E. Capital Assets

A summary of capital asset activity for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	(Retirement)	Balance June 30, 2019
Non-depreciable assets:				
Land	\$ 183,808	\$ -	\$ -	\$ 183,808
Construction in progress	<u>183,214</u>	-	<u>(183,214)</u>	-
Total non-depreciable assets	<u>367,022</u>	-	<u>(183,214)</u>	<u>183,808</u>
Depreciable assets:				
Building	11,056,171	14,425	183,214	11,253,810
Equipment - dwelling	78,871	-	-	78,871
Equipment - administration	<u>89,423</u>	<u>7,490</u>	-	<u>96,913</u>
Total depreciable assets	11,224,465	21,915	183,214	11,429,594
Accumulated depreciation	<u>(9,567,231)</u>	<u>(170,249)</u>	-	<u>(9,737,480)</u>
Total depreciable assets, net	<u>1,657,234</u>	<u>(148,334)</u>	183,214	<u>1,692,114</u>
Capital assets, net	\$ <u>2,024,256</u>	\$ <u>(148,334)</u>	\$ -	\$ <u>1,875,922</u>

Depreciation expense is charged to programs as follows:

	Business-type Activities
Low Rent	\$ 168,053
CFP	<u>2,196</u>
Total depreciation expense	\$ <u>170,249</u>

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2019

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

3F. Accounts Payable

Accounts payable at June 30, 2019 consist of the following:

Vendors & contractors	\$	6,819
Accrued utilities		1,199
PILOT		<u>22,789</u>
Total Accounts Payable	\$	<u>30,807</u>

3G. Non-current liabilities

Non-current liabilities at June 30, 2019 consist of the following:

Accrued compensated absences	\$	<u>21,850</u>
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Changes in non-current liabilities

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

<u>Description</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due within One Year</u>
Accrued compensated absences	\$ <u>29,771</u>	\$ <u>---</u>	\$ <u>7,921</u>	\$ <u>21,850</u>	\$ <u>19,292</u>

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 related to the defined contribution plan at June 30, 2019:

Total payroll	\$	324,608
Total payroll for eligible participants	\$	323,792
Employer contributions	\$	42,093

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2019

NOTE 4 – OTHER NOTES - (Continued)

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.
d. Health and life	Purchased health insurance with Blue Cross Blue Shield; life insurance is provided by Standard Insurance Co.

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.

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, 2019, the Authority had pending construction projects in progress. The commitments related to these projects are summarized as follows:

	Funds Approved	Funds Expended - Project to Date
CFP 501-16	\$ 214,538	\$ 183,214
CFP 501-17	237,064	14,425
	<u>\$ 451,602</u>	<u>\$ 197,639</u>

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 investment income and capital contributions in operating activities, which differs from the presentation of basic financial statements.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2019

NOTE 4 – OTHER NOTES - (Continued)

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 5, 2019 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 2020 federal budget.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

FINANCIAL DATA SCHEDULE
Year Ended June 30, 2019

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$934,085	\$934,085	\$934,085
114 Cash - Tenant Security Deposits	\$33,225	\$33,225	\$33,225
100 Total Cash	\$967,310	\$967,310	\$967,310
125 Accounts Receivable - Miscellaneous	\$281	\$281	\$281
126 Accounts Receivable - Tenants	\$1,862	\$1,862	\$1,862
126.1 Allowance for Doubtful Accounts - Tenants	-\$184	-\$184	-\$184
128 Fraud Recovery	\$1,042	\$1,042	\$1,042
128.1 Allowance for Doubtful Accounts - Fraud	-\$441	-\$441	-\$441
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,560	\$2,560	\$2,560
142 Prepaid Expenses and Other Assets	\$85,720	\$85,720	\$85,720
143 Inventories	\$2,446	\$2,446	\$2,446
143.1 Allowance for Obsolete Inventories	-\$245	-\$245	-\$245
150 Total Current Assets	\$1,057,791	\$1,057,791	\$1,057,791
161 Land	\$183,808	\$183,808	\$183,808
162 Buildings	\$11,253,810	\$11,253,810	\$11,253,810
163 Furniture, Equipment & Machinery - Dwellings	\$78,871	\$78,871	\$78,871
164 Furniture, Equipment & Machinery - Administration	\$96,913	\$96,913	\$96,913
166 Accumulated Depreciation	-\$9,737,480	-\$9,737,480	-\$9,737,480
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,875,922	\$1,875,922	\$1,875,922
180 Total Non-Current Assets	\$1,875,922	\$1,875,922	\$1,875,922
290 Total Assets and Deferred Outflow of Resources	\$2,933,713	\$2,933,713	\$2,933,713
312 Accounts Payable <= 90 Days	\$6,819	\$6,819	\$6,819
321 Accrued Wage/Payroll Taxes Payable	\$9,135	\$9,135	\$9,135
322 Accrued Compensated Absences - Current Portion	\$19,292	\$19,292	\$19,292
333 Accounts Payable - Other Government	\$22,789	\$22,789	\$22,789
341 Tenant Security Deposits	\$33,225	\$33,225	\$33,225
342 Unearned Revenue	\$3,131	\$3,131	\$3,131
346 Accrued Liabilities - Other	\$1,199	\$1,199	\$1,199
310 Total Current Liabilities	\$95,590	\$95,590	\$95,590
354 Accrued Compensated Absences - Non Current	\$21,850	\$21,850	\$21,850
350 Total Non-Current Liabilities	\$21,850	\$21,850	\$21,850
300 Total Liabilities	\$117,440	\$117,440	\$117,440
508.4 Net Investment in Capital Assets	\$1,875,922	\$1,875,922	\$1,875,922
512.4 Unrestricted Net Position	\$940,351	\$940,351	\$940,351
513 Total Equity - Net Assets / Position	\$2,816,273	\$2,816,273	\$2,816,273
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,933,713	\$2,933,713	\$2,933,713

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2019

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$402,323	\$402,323	\$402,323
70400 Tenant Revenue - Other	\$39,876	\$39,876	\$39,876
70500 Total Tenant Revenue	\$442,199	\$442,199	\$442,199
70600 HUD PHA Operating Grants	\$404,010	\$404,010	\$404,010
70610 Capital Grants	\$14,425	\$14,425	\$14,425
71100 Investment Income - Unrestricted	\$2,509	\$2,509	\$2,509
71400 Fraud Recovery	\$9,711	\$9,711	\$9,711
71500 Other Revenue	\$8,809	\$8,809	\$8,809
70000 Total Revenue	\$881,663	\$881,663	\$881,663
91100 Administrative Salaries	\$104,869	\$104,869	\$104,869
91200 Auditing Fees	\$7,420	\$7,420	\$7,420
91400 Advertising and Marketing	\$1,060	\$1,060	\$1,060
91500 Employee Benefit contributions - Administrative	\$46,876	\$46,876	\$46,876
91600 Office Expenses	\$21,286	\$21,286	\$21,286
91700 Legal Expense	\$1,875	\$1,875	\$1,875
91800 Travel	\$3,333	\$3,333	\$3,333
91900 Other	\$32,198	\$32,198	\$32,198
91000 Total Operating - Administrative	\$218,917	\$218,917	\$218,917
92200 Relocation Costs	\$372	\$372	\$372
92400 Tenant Services - Other	\$32	\$32	\$32
92500 Total Tenant Services	\$404	\$404	\$404
93100 Water	\$949	\$949	\$949
93200 Electricity	\$11,135	\$11,135	\$11,135
93300 Gas	\$2,119	\$2,119	\$2,119
93600 Sewer	\$369	\$369	\$369
93000 Total Utilities	\$14,572	\$14,572	\$14,572
94100 Ordinary Maintenance and Operations - Labor	\$188,905	\$188,905	\$188,905
94200 Ordinary Maintenance and Operations - Materials and Other	\$50,625	\$50,625	\$50,625
94300 Ordinary Maintenance and Operations Contracts	\$89,242	\$89,242	\$89,242
94500 Employee Benefit Contributions - Ordinary Maintenance	\$88,559	\$88,559	\$88,559
94000 Total Maintenance	\$417,331	\$417,331	\$417,331
96110 Property Insurance	\$63,495	\$63,495	\$63,495
96120 Liability Insurance	\$10,217	\$10,217	\$10,217
96130 Workmen's Compensation	\$23,452	\$23,452	\$23,452
96140 All Other Insurance	\$24,099	\$24,099	\$24,099
96100 Total insurance Premiums	\$121,263	\$121,263	\$121,263

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2019

	Project Total	Subtotal	Total
96200 Other General Expenses	\$9	\$9	\$9
96210 Compensated Absences	\$30,363	\$30,363	\$30,363
96300 Payments in Lieu of Taxes	\$22,789	\$22,789	\$22,789
96400 Bad debt - Tenant Rents	\$14,520	\$14,520	\$14,520
96000 Total Other General Expenses	\$67,681	\$67,681	\$67,681
96900 Total Operating Expenses	\$840,168	\$840,168	\$840,168
97000 Excess of Operating Revenue over Operating Expenses	\$41,495	\$41,495	\$41,495
97400 Depreciation Expense	\$170,249	\$170,249	\$170,249
90000 Total Expenses	\$1,010,417	\$1,010,417	\$1,010,417
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$128,754	-\$128,754	-\$128,754
11030 Beginning Equity	\$2,945,027	\$2,945,027	\$2,945,027
11190 Unit Months Available	2016	2016	2016
11210 Number of Unit Months Leased	1948	1948	1948
11270 Excess Cash	\$804,266	\$804,266	\$804,266
11620 Building Purchases	\$14,425	\$14,425	\$14,425

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, 2019

Agency Head Name: Victoria Burise

EXPENDITURE PURPOSE

Salary	\$	68,869
Benefits – Insurance		9,916
Benefits – Retirement		8,724
Benefits (List any other here)		---
Car allowance		---
Vehicle provided by government		---
Per diem		595
Reimbursements		---
Travel		300
Registration fees		---
Conference Travel		886
Continuing professional education fees		---
Housing		---
Unvouchered expenses*		---
Special meals		10
		<hr/>
TOTAL	\$	89,300

* 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, 2019

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 Housing Authority of the City of Marksville (Authority), Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued my report thereon dated December 5, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Authority's internal control over financial reporting 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.

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.

Audit Solutions, LLC

Chesterfield, Missouri

December 5, 2019

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

SIGNIFICANT DEFICIENCIES COMMUNICATED IN PRIOR YEAR
June 30, 2019

The prior audit report for the year ended June 30, 2018 contained the following audit finding:

2018-001.	Finding:	Deposits in Excess of FDIC & Pledged Securities Coverage.
	Status:	Implemented.

HOUSING AUTHORITY OF THE CITY OF MARKSVILLE
Marksville, Louisiana

CURRENT FINDINGS, RECOMMENDATIONS AND REPLIES
June 30, 2019

The current audit report for the year ended June 30, 2019 disclosed no audit finding.