

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS

OPELOUSAS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2023



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Opelousas (the "Authority") as of and for the year ended June 30, 2023, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority, as of June 30, 2023, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



To the Board of Commissioners of
Housing Authority of the City of Opelousas
December 30, 2023

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



To the Board of Commissioners of
Housing Authority of the City of Opelousas
December 30, 2023

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The HUD financial data schedules are presented for the purpose of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for the purpose of additional analysis as required by Louisiana Revised Statute 24:513(A)(3) and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 our opinion, the HUD financial data schedules, schedule of compensation, benefits, and other payments to agency head, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Board of Commissioners of
Housing Authority of the City of Opelousas
December 30, 2023

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Housing Authority of the City of Opelousas's internal control over financial reporting and compliance.

December 30, 2023
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Our discussion and analysis of the Housing Authority of the City of Opelousas's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2023.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

USING THIS ANNUAL FINANCIAL REPORT

The Authority's annual financial report consists of financial statements that report information about the Authority's most significant programs, such as the Authority's Public Housing and Capital Fund Programs.

An outline of the annual financial report's content is as follows:

- I. Independent Auditors' Report
- II. Required Supplementary Information
- III. Basic Financial Statements
- IV. Notes to the Financial Statements
- V. Other Supplemental Information

Our auditor has provided assurance in their independent auditors' report on pages 1 through 4 that the basic financial statements are fairly stated. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the annual financial report.

FINANCIAL HIGHLIGHTS

Total spending for all programs was approximately \$6,384,000 for the year ended June 30, 2023. Total operating revenue was approximately \$5,842,000, of which tenant-related income comprised approximately \$2,114,000 or 36.2%. Subsidies and grants from the U.S. Department of Housing and Urban Development (HUD) comprised 68.1% of total revenue.

Public Housing Authorities' (PHAs) annual budgets are based on mandated procedures that serve to determine every PHA's total and final funding amount. The funding is based on a calendar year. Operating Fund Subsidy decreased from approximately \$3,900,000 in 2022 to \$3,700,000 in 2023, a 4.3% decrease from the prior year, mainly due to the change in pro-ration from the prior year.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

FINANCIAL ANALYSIS

The Authority's net position was approximately \$22.1 million at June 30, 2023.

The following analysis focuses on the net position and the change in net position of the Authority as a whole.

Condensed Statement of Net Position

| | <u>06/30/23</u> | <u>06/30/22</u> |
|----------------------------------|--------------------------|--------------------------|
| Current assets | \$ 12,938,710 | \$ 12,272,242 |
| Capital assets, net | <u>9,688,595</u> | <u>9,126,360</u> |
| Total assets | <u>22,627,305</u> | <u>21,398,602</u> |
| Current liabilities | 490,081 | 490,487 |
| Noncurrent liabilities | <u>48,184</u> | <u>38,642</u> |
| Total liabilities | <u>538,265</u> | <u>529,129</u> |
| Net position | | |
| Net investment in capital assets | 9,688,595 | 9,126,360 |
| Unrestricted | <u>12,400,445</u> | <u>11,743,113</u> |
| Total net position | <u>\$ 22,089,040</u> | <u>\$ 20,869,473</u> |

Current assets increased by \$666,468 or 5.4% from the prior year as a result of operations. Capital assets increased by \$562,235 (6.2%) from the prior year, largely due to current year depreciation expense offset by current year additions. The aggregation of these factors affecting current assets and capital assets resulted in increase in total assets of \$1,228,703 (5.7%).

Total liabilities increased by \$9,136 (1.7%) during the current year which is primarily due to the increase in accounts payable in 2023.

The increase of \$1,219,567 in net position is largely due to normal operations.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

Condensed Statement of Revenues, Expenditures and Changes in Net Position

| | <u>06/30/23</u> | <u>06/30/22</u> |
|-------------------------------------|----------------------|----------------------|
| Operating revenues: | | |
| Charges for services | \$ 2,113,764 | \$ 2,018,869 |
| Operating grants | 3,728,490 | 3,895,922 |
| Non-operating revenues: | | |
| Capital grants | 1,446,484 | 894,565 |
| Interest earnings | 312,747 | 6,883 |
| Other non-operating receipts | <u>1,793</u> | <u>35,088</u> |
| Total revenues | <u>7,603,278</u> | <u>6,851,327</u> |
| Operating expenses | | |
| Administration | 999,615 | 606,076 |
| Tenant services | 522 | 219 |
| Utilities | 1,210,723 | 1,195,651 |
| Ordinary maintenance and operations | 2,112,098 | 1,772,706 |
| General expenses | 1,165,003 | 1,144,083 |
| Depreciation | <u>895,750</u> | <u>853,441</u> |
| Total expenses | <u>6,383,711</u> | <u>5,572,176</u> |
| Change in net position | <u>\$ 1,219,567</u> | <u>\$ 1,279,151</u> |
| Net position, ending | <u>\$ 22,089,040</u> | <u>\$ 20,869,473</u> |

Total revenues increased by \$751,951 or 11.0%, and total expenses increased by \$811,535 or 14.6%. The increase in revenues is primarily attributed to the increase in capital grants. The increase in operating expenses is primarily attributed to the increase in administration and ordinary maintenance and operations expenses.

The Authority's net position increased by \$1,219,567. The increase is primarily attributed to normal operations.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

CAPITAL ASSETS

At June 30, 2023, the Authority had approximately \$9.7 million invested in a broad range of capital assets including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$562,235 or 6.2% from last year. The majority of the change is due to current year depreciation expense offset by current year additions. For more information see Note 4 in the notes to the financial statements.

| | <u>06/30/23</u> | <u>06/30/22</u> |
|-------------------------------------|---------------------|---------------------|
| Land | \$ 1,327,350 | \$ 1,327,350 |
| Building and improvements | 40,607,675 | 39,468,916 |
| Furniture and equipment | <u>2,293,696</u> | <u>2,012,379</u> |
| | 44,228,721 | 42,808,645 |
| Less accumulated depreciation | <u>(34,540,126)</u> | <u>(33,682,285)</u> |
| Capital assets, net of depreciation | <u>\$ 9,688,595</u> | <u>\$ 9,126,360</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget via appropriations rather than by local economic conditions. The Capital fund programs are multiple year budgets and have remained relatively stable. Capital funds are used for the modernization of public housing properties including the administrative fees involved in the modernization.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Ms. Toya Thomas-Chavis, Executive Director, Housing Authority of the City of Opelousas, P.O. Box 689, Opelousas, Louisiana 70571.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

| | |
|---|-----------------------|
| Cash and cash equivalents | \$ 12,086,018 |
| Receivables: | |
| Tenant receivable, net of allowance for doubtful accounts | 69,426 |
| Prepaid expenses | 531,943 |
| Inventory | 41,465 |
| Restricted cash and cash equivalents | 209,858 |
| Capital assets not being depreciated | 1,327,350 |
| Capital assets being depreciated, net of accumulated depreciation | <u>8,361,245</u> |
| Total assets | <u>22,627,305</u> |

LIABILITIES:

| | |
|---|--------------------|
| Accounts payable | 89,539 |
| Accounts payable - other governments | 89,526 |
| Accrued wages payable | 34,466 |
| Unearned revenue | 26,061 |
| Liabilities payable from restricted assets: | |
| Deposits held in trust | 209,858 |
| Noncurrent liabilities: | |
| Due within one year | 40,631 |
| Due in more than one year | <u>48,184</u> |
| Total liabilities | <u>538,265</u> |

NET POSITION:

| | |
|----------------------------------|--------------------------|
| Net investment in capital assets | 9,688,595 |
| Unrestricted | <u>12,400,445</u> |
| Total net position | <u>\$ 22,089,040</u> |

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUES:

| | |
|-------------------------------------|----------------------|
| Charges for services: | |
| Dwelling rental | \$ 1,728,561 |
| Dwelling revenue - other | 385,203 |
| Operating grants and contributions: | |
| HUD PHA operating grants | <u>3,728,490</u> |
| Total operating revenues | <u>5,842,254</u> |

OPERATING EXPENSES:

| | |
|-------------------------------------|----------------------|
| Administration | 999,615 |
| Tenant services | 522 |
| Utilities | 1,210,723 |
| Ordinary maintenance and operations | 2,112,098 |
| General expense | 1,165,003 |
| Depreciation expense | <u>895,750</u> |
| Total operating expenses | <u>6,383,711</u> |
| Net operating loss | <u>(541,457)</u> |

NON-OPERATING REVENUES:

| | |
|----------------------------------|--------------------------|
| Capital grants | 1,446,484 |
| Other non-operating receipts | 312,747 |
| Interest income | <u>1,793</u> |
| Total non-operating revenues | <u>1,761,024</u> |
| Change in net position | 1,219,567 |
| Net position - beginning | <u>20,869,473</u> |
| Net position - ending | <u>\$ 22,089,040</u> |

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM (USED FOR) OPERATING
ACTIVITIES:

| | |
|------------------------------------|--------------------|
| Receipts from tenants | \$ 2,137,278 |
| Receipts from federal agencies | 3,731,661 |
| Payments to vendors and suppliers | (4,214,666) |
| Payments to employees | <u>(1,342,684)</u> |
| Net cash from operating activities | <u>311,589</u> |

CASH FLOWS FROM (USED FOR) NON-CAPITAL
FINANCING ACTIVITIES:

| | |
|--|----------------|
| Non-operating revenues | <u>312,747</u> |
| Net cash from non-capital financing activities | <u>312,747</u> |

CASH FLOWS FROM (USED FOR) CAPITAL AND
RELATED FINANCING ACTIVITIES:

| | |
|--|--------------------|
| Proceeds from capital grants | 1,446,484 |
| Acquisition and construction of capital assets | <u>(1,457,985)</u> |
| Net cash (used for) capital and related financing activities | <u>(11,501)</u> |

CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:

| | |
|--|-----------------------------|
| Interest received | <u>1,793</u> |
| Net cash from investing activities | <u>1,793</u> |
| Net change in cash and cash equivalents | <u>614,628</u> |
| Cash and cash equivalents at June 30, 2022 | <u>11,681,248</u> |
| Cash and cash equivalents at June 30, 2023 | <u><u>\$ 12,295,876</u></u> |

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Reconciliation of operating income to net cash from operating activities:

| | |
|--|--------------------------|
| Operating loss | \$ (541,457) |
| Adjustments to reconcile operating income to net cash from operating activities: | |
| Depreciation | 895,750 |
| Bad debt expense | 243,632 |
| (Increase) decrease in assets: | |
| Tenant receivable | (236,641) |
| HUD receivable | 3,171 |
| Prepaid expenses | (98,039) |
| Inventory | 36,037 |
| Increase (decrease) in liabilities: | |
| Accounts payable | (25,050) |
| Accounts payable - other governments | 7,969 |
| Accrued wages payable | 9,713 |
| Unearned revenue | (1,625) |
| Deposits held in trust | 18,148 |
| Compensated absences | (19) |
| | <hr/> |
| Net cash from operating activities | <u><u>\$ 311,589</u></u> |

Reconciliation of cash and cash equivalents to statement of net position:

| | |
|--|-----------------------------|
| Cash and cash equivalents - unrestricted | 12,086,018 |
| Cash and cash equivalents - restricted | <u>209,858</u> |
| | <hr/> |
| Totals | <u><u>\$ 12,295,876</u></u> |

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Housing Authority of the City of Opelousas (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Authority was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the City of Opelousas, Louisiana.

The Authority has a five-member appointed Board of Commissioners and is headed by an Executive Director. The Board has the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters.

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

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

Governmental-Wide Financial Statements

The Authority's basic financial statements consist of proprietary statements, including a statement of net position, a statement of revenues, expenditures and changes in net position and a statement of cash flows.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The proprietary statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Shared revenues are recognized when the provider government recognized the liability to the Authority. Grants are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

State appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. For financial purposes, the Authority reports all of its primary government operations as a single business activity in a single proprietary enterprise fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Authority has elected not to follow subsequent private-sector guidance.

The Authority does not use encumbrance accounting.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are HUD provided federal grants and tenant rent payments. The major operating expenses of the Authority include administrative, utilities, ordinary maintenance and operations, general, and depreciation expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets

The Authority prepares budgets for the Conventional and Capital Fund programs. The Board of Commissioners approves the Conventional and Capital Fund budgets. HUD approves the Capital Fund budget. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of net position, cash includes all demand deposit and interest-bearing demand deposit accounts of the Authority. For the purposes of the proprietary funds statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. In accordance with Louisiana Statutes, the Authority maintains deposits at those depository banks authorized by the Authority. All such depositories are members of the Federal Reserve System.

Investments

Investments are limited by R.S 33:2955 and the Authority's investment policy. If the original maturities of investments exceed three months, they are classified as investments for financial reporting purposes. If the original maturities are three months or less, they are classified as cash equivalents.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Authority's statement of net position.

Restricted Assets

Restricted cash on the statement of net position for the Authority represents tenant security deposits. Restricted cash is more fully detailed in Note 3.

Receivables

Accounts receivable from tenants are stated at net realizable value as required by GAAP. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of June 30, 2023, the Authority has recorded an allowance for doubtful accounts of \$4,979.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets are recorded at historical cost and are depreciated over their estimated useful lives. Capital assets include all items costing over \$1,500. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Authority has no items that qualify for reporting in this category.

Compensated Absences

The Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the classified employee is not paid for them if not used by his/her retirement or termination date.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

In the government-wide proprietary financial statements, equity is classified as net position and displayed in three components:

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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Restricted Net Position

Restrictions, when appropriate, represent those portions of net position that are restricted in use by external parties or by law for a specific future use. There were no restrictions of net position as of June 30, 2023. When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

The GASB issued Statement No. 96, “*Subscription-Based Information Technology Arrangements*”. Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, — which is when the subscription asset is placed into service. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The adoption of this standard did not have a material impact on the Authority’s financial statements.

Date of Management’s Review

Subsequent events have been evaluated through December 30, 2023, the date the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS

At June 30, 2023 the carrying amount of the Authority’s bank deposits was \$12,295,876. These deposits are stated at cost, which approximates market. The Authority does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

Cash and deposits are categorized into three categories of credit risk. Category 1 includes deposits covered by federal depository insurance or by collateral held by the Authority or its agent, in the Authority’s name. Category 2 includes deposits covered by collateral held by the pledging financial institution’s trust department, or its agent in the Authority’s name. Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Authority’s name, and deposits which are uninsured or uncollateralized.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(2) CASH AND CASH EQUIVALENTS (CONTINUED)

At June 30, 2023, the bank balance was \$12,185,415. Of the bank balance, \$712,206 was covered by federal depository insurance (Category 1). In compliance with State laws, the remaining balance of \$11,473,209 was secured by bank owned securities specifically pledged to the Authority and held by an independent custodian bank jointly in the name of the Authority and the depository bank (Category 2). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand. Custodial credit risk is the risk that in the event of bank failure, the government’s deposits may not be returned to it. At June 30, 2023, there were no deposits held by the Authority that were exposed to custodial credit risk representing uninsured deposits collateralized by a pledging bank’s trust department but not in the Authority’s name.

State statutes authorize the Authority to invest in the following types of securities: (1) fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana; (2) direct obligations of the U.S. Government; (3) obligations of U.S. Government agencies that are deliverable on the Federal Reserve System; and (4) repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

(3) RESTRICTED ASSETS CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents at June 30, 2023 are restricted as follows:

| Description | Amount |
|--------------------------|-------------------|
| Tenant security deposits | \$ <u>209,858</u> |

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(4) CAPITAL ASSETS

A summary of changes in proprietary fund type capital assets as of June 30, 2023 is as follows:

| | <u>Balance</u> <u>06/30/22</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance</u> <u>06/30/23</u> |
|---|-----------------------------------|-------------------|------------------|-----------------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,327,350 | \$ - | \$ - | \$ 1,327,350 |
| Total capital assets not being depreciated | <u>1,327,350</u> | <u>-</u> | <u>-</u> | <u>1,327,350</u> |
| Capital assets, being depreciated: | | | | |
| Building and improvements | 39,468,916 | 1,138,759 | - | 40,607,675 |
| Furniture and equipment | <u>2,012,379</u> | <u>319,226</u> | <u>(37,909)</u> | <u>2,293,696</u> |
| Total capital assets being depreciated | <u>41,481,295</u> | <u>1,457,985</u> | <u>(37,909)</u> | <u>42,901,371</u> |
| Less accumulated depreciation | <u>(33,682,285)</u> | <u>(895,750)</u> | <u>37,909</u> | <u>(34,540,126)</u> |
| Total capital assets being depreciated, net | <u>7,799,010</u> | <u>562,235</u> | <u>-</u> | <u>8,361,245</u> |
| Total capital assets, net | <u>\$ 9,126,360</u> | <u>\$ 562,235</u> | <u>\$ -</u> | <u>\$ 9,688,595</u> |

Depreciation expense was \$895,750 for the year ended June 30, 2023.

(5) COMPENSATED ABSENCES

A summary of compensated absences is as follows:

| | <u>Balance</u> <u>06/30/22</u> | <u>Net Increase</u> <u>(Decrease)</u> | <u>Balance</u> <u>06/30/23</u> | <u>Due Within</u> <u>One Year</u> |
|----------------------|-----------------------------------|--|-----------------------------------|--------------------------------------|
| Compensated absences | <u>\$ 88,834</u> | <u>\$ (19)</u> | <u>\$ 88,815</u> | <u>\$ 40,631</u> |

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(6) RETIREMENT PLAN

The Authority participates in the Housing Agency Retirement Trust plan, a defined contribution plan administered by Mercer. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Authority provides retirement benefits for all full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month following the completion of six months of continuous employment. Plan provisions and changes to plan contributions are determined by the Board of the Authority. Total contributions to the plan were \$47,788 for the year ended June 30, 2023.

Under the plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 7% of each participant's basic (excludes overtime) compensation. Employees are required to contribute 5% of their annual covered salary.

The Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Authority. No payments were made out of the forfeiture account for the year ended June 30, 2023.

Normal retirement date shall be the first day of the month following the employee reaching the age of 59½ or after ten years of participation in the plan.

(7) RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority maintains commercial insurance to mitigate these risks. Settled claims have not exceeded insurance coverage in any of the past three years.

(8) CONCENTRATIONS

For the year ended June 30, 2023, the Authority received approximately 68% of its total revenue from federal sources (U.S. Department of Housing and Urban Development).

(9) PAYMENT IN LIEU OF PROPERTY TAXES

In accordance with a cooperative agreement with the City of Opelousas, the Authority is not required to pay property taxes. Instead, the Authority is required to make payments in lieu of property taxes if and when funds may become available. The liability for payments in lieu of property taxes due at June 30, 2023 totaled \$89,526.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

(10) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 100, “*Accounting Changes and Error Corrections*” – an amendment of GASB Statement No. 62. This Statement defines four categories of accounting changes and error corrections and related accounting and financial reporting requirements. Additionally, it addresses display of accounting changes and error corrections in the financial statements, disclosures in the notes to the financial statements, and presentation in required supplementary information and supplementary information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 101, “*Compensated Absences*”. Under this Statement, a government should generally recognize a liability for leave that has not been used and leave that has been used but not yet paid or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Authority plans to adopt this Statement as applicable by the effective date.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA BY PROJECT
JUNE 30, 2023

| Line Item # | Account Description | Conventional Program | CARES | ROSS | Total CFP | COCC | Eliminations | Total |
|--|--|-------------------------|-------------|-------------|-------------|---------------------|--------------|----------------------|
| ASSETS: | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash: | | | | | | | | |
| 111 | Cash - unrestricted | \$ 9,144,079 | \$ - | \$ - | \$ - | \$ 2,941,939 | \$ - | \$ 12,086,018 |
| 114 | Cash - tenant security deposits | 209,858 | - | - | - | - | - | 209,858 |
| 100 | Total cash | <u>9,353,937</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,941,939</u> | <u>-</u> | <u>12,295,876</u> |
| Accounts and notes receivables: | | | | | | | | |
| 122 | Accounts receivable - HUD other projects | - | - | - | - | - | - | - |
| 126 | Accounts receivable - tenants | 74,405 | - | - | - | - | - | 74,405 |
| 126.1 | Allowance for doubtful accounts - tenants | (4,979) | - | - | - | - | - | (4,979) |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - |
| 120 | Total receivables, net of allowance for doubtful accounts | <u>69,426</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>69,426</u> |
| 131 | Investments - unrestricted | - | - | - | - | - | - | - |
| 142 | Prepaid expenses and other assets | 517,131 | - | - | - | 14,812 | - | 531,943 |
| 143 | Inventories | 41,465 | - | - | - | - | - | 41,465 |
| 143.1 | Allowance for obsolete inventories | - | - | - | - | - | - | - |
| 150 | Total current assets | <u>9,981,959</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,956,751</u> | <u>-</u> | <u>12,938,710</u> |
| Noncurrent assets: | | | | | | | | |
| Capital assets: | | | | | | | | |
| 161 | Land | 1,100,772 | - | - | - | 226,578 | - | 1,327,350 |
| 162 | Buildings | 39,214,267 | - | - | - | 1,393,408 | - | 40,607,675 |
| 163 | Furniture, equipment and machinery - dwellings | 1,335,003 | - | - | - | 46,188 | - | 1,381,191 |
| 164 | Furniture, equipment and machinery - administration | 621,113 | - | - | - | 291,392 | - | 912,505 |
| 165 | Leasehold improvements | - | - | - | - | - | - | - |
| 166 | Accumulated depreciation | (32,870,317) | - | - | - | (1,669,809) | - | (34,540,126) |
| 167 | Construction in progress | - | - | - | - | - | - | - |
| 160 | Total capital assets, net of accumulated depreciation | <u>9,400,838</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>287,757</u> | <u>-</u> | <u>9,688,595</u> |
| 180 | Total noncurrent assets | <u>9,400,838</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>287,757</u> | <u>-</u> | <u>9,688,595</u> |
| 190 | Total assets | <u>19,382,797</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,244,508</u> | <u>-</u> | <u>22,627,305</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | | | | |
| 200 | Deferred outflows of resources | - | - | - | - | - | - | - |
| 290 | Total assets and deferred outflows of resources | <u>19,382,797</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,244,508</u> | <u>-</u> | <u>22,627,305</u> |
| LIABILITIES: | | | | | | | | |
| Current liabilities: | | | | | | | | |
| 312 | Accounts payable ≤ 90 days | 82,867 | - | - | - | 6,672 | - | 89,539 |
| 321 | Accrued wage/payroll taxes payable | 26,668 | - | - | - | 7,798 | - | 34,466 |
| 322 | Accrued compensated absences - current portion | 32,607 | - | - | - | 8,024 | - | 40,631 |
| 333 | Accounts payable - other government | 89,526 | - | - | - | - | - | 89,526 |
| 341 | Tenant security deposits | 209,858 | - | - | - | - | - | 209,858 |
| 342 | Unearned revenue | 26,061 | - | - | - | - | - | 26,061 |
| 310 | Total current liabilities | <u>467,587</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>22,494</u> | <u>-</u> | <u>490,081</u> |
| Noncurrent liabilities: | | | | | | | | |
| 354 | Accrued compensated absences - non-current | 39,331 | - | - | - | 8,853 | - | 48,184 |
| 350 | Total noncurrent liabilities | <u>39,331</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,853</u> | <u>-</u> | <u>48,184</u> |
| 300 | Total liabilities | <u>506,918</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,347</u> | <u>-</u> | <u>538,265</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | | | |
| 400 | Deferred inflows of resources | - | - | - | - | - | - | - |
| NET POSITION: | | | | | | | | |
| 508.4 | Net investment in capital assets | 9,400,838 | - | - | - | 287,757 | - | 9,688,595 |
| 512.4 | Unrestricted net position | <u>9,475,041</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,925,404</u> | <u>-</u> | <u>12,400,445</u> |
| 513 | Total net position | <u>18,875,879</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,213,161</u> | <u>-</u> | <u>22,089,040</u> |
| 600 | Total liabilities, deferred inflows of resources, and net position | <u>\$ 19,382,797</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,244,508</u> | <u>\$ -</u> | <u>\$ 22,627,305</u> |

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2023

| Line Item # | Account Description | Conventional Program | ROSS | Total CFP | COCC | Eliminations | Total |
|---------------------------------------|---|-------------------------|--------|--------------|------------|--------------|---------------|
| REVENUE: | | | | | | | |
| 70300 | Net tenant rental revenue | \$ 1,728,561 | \$ - | \$ - | \$ - | \$ - | \$ 1,728,561 |
| 70400 | Tenant revenue - other | 375,922 | - | - | 9,281 | - | 385,203 |
| 70500 | Total tenant revenue | 2,104,483 | - | - | 9,281 | - | 2,113,764 |
| 70600 | HUD PHA operating grants | 3,365,229 | 61,743 | 301,518 | - | - | 3,728,490 |
| 70610 | Capital grants | - | - | 1,446,484 | - | - | 1,446,484 |
| 70710 | Management fee | - | - | - | 658,604 | (658,604) | - |
| 70720 | Asset management fee | - | - | - | 81,840 | (81,840) | - |
| 70730 | Bookkeeping fee | - | - | - | 57,968 | (57,968) | - |
| 70700 | Total fee revenue | - | - | - | 798,412 | (798,412) | - |
| 71100 | Investment income - unrestricted | 1,543 | - | - | 250 | - | 1,793 |
| 71500 | Other revenue | 308,486 | - | - | 4,261 | - | 312,747 |
| 70000 | Total revenue | 5,779,741 | 61,743 | 1,748,002 | 812,204 | (798,412) | 7,603,278 |
| EXPENSES: | | | | | | | |
| Administrative: | | | | | | | |
| 91100 | Administrative salaries | 232,669 | 47,078 | - | 169,160 | - | 448,907 |
| 91200 | Auditing fees | 48,048 | - | - | 16,016 | - | 64,064 |
| 91300 | Management fee | 492,785 | - | 165,819 | - | (658,604) | - |
| 91310 | Bookkeeping fee | 57,968 | - | - | - | (57,968) | - |
| 91400 | Advertising and marketing | - | - | - | - | - | - |
| 91500 | Employee benefit contributions - administrativ | 84,936 | 14,665 | - | 55,075 | - | 154,676 |
| 91600 | Office expenses | 62,766 | - | - | 60,051 | - | 122,817 |
| 91700 | Legal expense | 6,383 | - | - | 2,128 | - | 8,511 |
| 91800 | Travel | 10,434 | - | - | 2,711 | - | 13,145 |
| 91900 | Other | 36,162 | - | 135,699 | 15,634 | - | 187,495 |
| 91000 | Total administrative | 1,032,151 | 61,743 | 301,518 | 320,775 | (716,572) | 999,615 |
| 92000 | Asset management fee | 81,840 | - | - | - | (81,840) | - |
| 92400 | Tenant services - other | 522 | - | - | - | - | 522 |
| 92500 | Total tenant services | 522 | - | - | - | - | 522 |
| Utilities: | | | | | | | |
| 93100 | Water | 380,156 | - | - | - | - | 380,156 |
| 93200 | Electricity | 798,212 | - | - | 219 | - | 798,431 |
| 93300 | Gas | 30,856 | - | - | 1,280 | - | 32,136 |
| 93500 | Labor | - | - | - | - | - | - |
| 93600 | Sewer | - | - | - | - | - | - |
| 93000 | Total utilities | 1,209,224 | - | - | 1,499 | - | 1,210,723 |
| Ordinary maintenance and operations | | | | | | | |
| 94100 | Ordinary maintenance and operations - labor | 737,565 | - | - | 694 | - | 738,259 |
| 94200 | Ordinary maintenance and operations - materials and other | 473,861 | - | - | 4,119 | - | 477,980 |
| 94300 | Ordinary maintenance and operations - contract costs | 561,505 | - | - | 4,763 | - | 566,268 |
| 94500 | Employee benefit contributions - ordinary maintenance | 328,008 | - | - | 1,583 | - | 329,591 |
| 94000 | Total maintenance and operations | 2,100,939 | - | - | 11,159 | - | 2,112,098 |
| General expenses: | | | | | | | |
| 96110 | Property insurance | 601,911 | - | - | 26,147 | - | 628,058 |
| 96120 | Liability insurance | 14,256 | - | - | 4,752 | - | 19,008 |
| 96130 | Workmen's compensation | 29,284 | - | - | - | - | 29,284 |
| 96140 | All other insurance | - | - | - | - | - | - |
| 96100 | Total insurance premiums | 645,451 | - | - | 30,899 | - | 676,350 |
| 96200 | Other general expenses | 200,988 | - | - | 33,801 | - | 234,789 |
| 96210 | Compensated absences | - | - | - | - | - | - |
| 96000 | Payments in lieu of taxes | 89,527 | - | - | - | - | 89,527 |
| 96400 | Bad debt- tenant rents | 164,337 | - | - | - | - | 164,337 |
| 96000 | Total other general expenses | 454,852 | - | - | 33,801 | - | 488,653 |
| 96900 | Total operating expenses | 5,524,979 | 61,743 | 301,518 | 398,133 | (798,412) | 5,487,961 |
| 97000 | Excess revenue over operating expenses | 254,762 | - | 1,446,484 | 414,071 | - | 2,115,317 |
| 97400 | Depreciation expense | 808,568 | - | 73,846 | 13,336 | - | 895,750 |
| 90000 | Total expenses | 6,333,547 | 61,743 | 375,364 | 411,469 | (798,412) | 6,383,711 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| 10010 | Operating transfers in | - | - | - | - | - | - |
| 10020 | Operating transfers out | - | - | - | - | - | - |
| 10100 | Total other financing sources (uses) | - | - | - | - | - | - |
| 10000 | Excess (deficiency) of total revenue over (under) total expenses | \$ (553,806) | \$ - | \$ 1,372,638 | \$ 400,735 | \$ - | \$ 1,219,567 |
| MEMO ACCOUNT INFORMATION: | | | | | | | |
| 11030 | Beginning equity | \$ 18,057,045 | \$ - | \$ - | \$ - | \$ - | \$ 18,057,045 |
| 11040 | Prior period adjustments, equity transfers, and correction of error | 1,372,640 | - | (1,372,640) | - | - | - |
| 11190 | Unit months available | 8,280 | - | - | - | - | 8,280 |
| 11210 | Unit months leased | 7,729 | - | - | - | - | 7,729 |
| 11270 | Excess cash | 8,495,362 | - | - | - | - | 8,495,362 |
| 11620 | Building purchases | - | - | 1,138,759 | - | - | 1,138,759 |
| 11630 | Furniture and equipment - dwelling purchase | - | - | 307,727 | - | - | 307,727 |
| 11640 | Furniture and equipment - administrative purchase: | - | - | - | - | - | - |
| 11650 | Leasehold improvements purchases | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED FOR THE YEAR ENDED JUNE 30, 2023

| | | Toya Thomas-Chavis <u>Executive Director</u> |
|--|--------|---|
| Salary | \$ | 115,000 |
| Benefits - insurance (health and dental) | | 24,164 |
| Benefits - retirement | | 8,050 |
| Vehicle provided by government | | 845 |
| Incentive pay | | <u>9,200</u> |
| Total compensation, benefits, and other payments | \$ | <u><u>157,259</u></u> |



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Opelousas (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we 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.

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



To the Board of Commissioners of
Housing Authority of the City of Opelousas
December 30, 2023

Report on Compliance and Other Matters

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

Purpose of this Report

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

December 30, 2023
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Opelousas (the Authority)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

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



To the Board of Commissioners of
Housing Authority of the City of Opelousas
December 30, 2023

Auditor's Responsibility for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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



To the Board of Commissioners of
Housing Authority of the City of Opelousas
December 30, 2023

Report on Internal Control over Compliance

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

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

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

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

December 30, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

| Federal Grantor/Pass-through Grantor/ Program Title | Federal AL Number | Federal Disbursements/ Expenditures |
|--|----------------------|---|
| <u>U.S. Department of Housing and Urban Development</u> | | |
| <i>Direct programs</i> | | |
| Low Rent Public Housing | 14.850 | \$ 3,365,229 |
| Resident Opportunity and Supportive Services | 14.870 | 61,743 |
| Public Housing Capital Fund Program | 14.872 | <u>1,748,004</u> |
| Total expenditures of federal awards | | <u>\$ 5,174,976</u> |

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the Housing Authority of the City of Opelousas under programs of the federal government for the year ended June 30, 2023. The information in the schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Housing Authority of the City of Opelousas it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority of the City of Opelousas.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Recognition

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

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2023.

(3) INDIRECT COST RATE

The Housing Authority of the City of Opelousas has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

I. SUMMARY OF AUDITORS' REPORTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Housing Authority of the City of Opelousas.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements were reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements were reported in the Independent Auditors' 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*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs of the Housing Authority of the City of Opelousas expresses an unmodified opinion on all major federal programs.
6. There were no findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as major program was Low Rent Public Housing (AL No. 14.850).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Housing Authority of the City of Opelousas was determined to not be a low-risk auditee.
10. A management letter was not issued for the year ended June 30, 2023.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

II. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended June 30, 2023.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings related to major federal award programs for the year ended June 30, 2023.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Finding 2022-001 Noncompliance with Reporting Requirements

Condition: The Authority failed to comply with Louisiana Revised Statutes 24:513 and 24:514.

This finding was resolved in the current year.

II. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FEDERAL AWARDS

Not applicable.

III. MANAGEMENT LETTER

Not applicable.

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
OPELOUSAS, LOUISIANA
FOR THE YEAR ENDED
JUNE 30, 2023



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Housing Authority of the City of Opelousas

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2023. The Housing Authority of the City of Opelousas's management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority of the City of Opelousas has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

We were engaged by the Housing Authority of the City of Opelousas to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Housing Authority of the City of Opelousas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

December 30, 2023
New Orleans, Louisiana


Certified Public Accountants

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - b) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - c) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - d) ***Disbursements***, including processing, reviewing, and approving.
 - e) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - f) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - g) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - j) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- k) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- l) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- m) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of applying the procedure.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

BOARD OR FINANCE COMMITTEE (CONTINUED)

Results: No exceptions were found as a result of applying the procedure.

BANK RECONCILIATIONS

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

Results: No exceptions were found as a result of applying the procedure.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

4. **Procedure:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

COLLECTIONS (CONTINUED)

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. **Procedures:** Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the ten deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the procedures.

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

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

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)(CONTINUED)**

9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. **Procedures:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was
- a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

- b) Approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were found as a result of applying the procedures.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

12. **Procedures:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. **Procedures:** Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.
14. **Procedures:** Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of applying the procedures.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

15. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the procedure.

CONTRACTS

16. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

CONTRACTS(CONTINUED)

- d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the procedure.

PAYROLL AND PERSONNEL

17. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. **Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' accumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

PAYROLL AND PERSONNEL (CONTINUED)

20. **Procedure:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the procedures.

ETHICS

21. **Procedures:** Using the five randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of applying the procedure.

DEBT SERVICE

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

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

Results: This section is not applicable as the Housing Authority has no outstanding debt.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

FRAUD NOTICE

24. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the Organization attorney of the parish in which the entity is domiciled.
25. **Procedure:** Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of applying the procedures.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

26. **Procedures:** Perform the following procedures:
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
 - d) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedures and discussed the results with management.

HOUSING AUTHORITY OF THE CITY OF OPELOUSAS
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

SEXUAL HARASSMENT

27. **Procedures:** Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
28. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
29. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results: No exceptions were found as a result of applying the procedures.