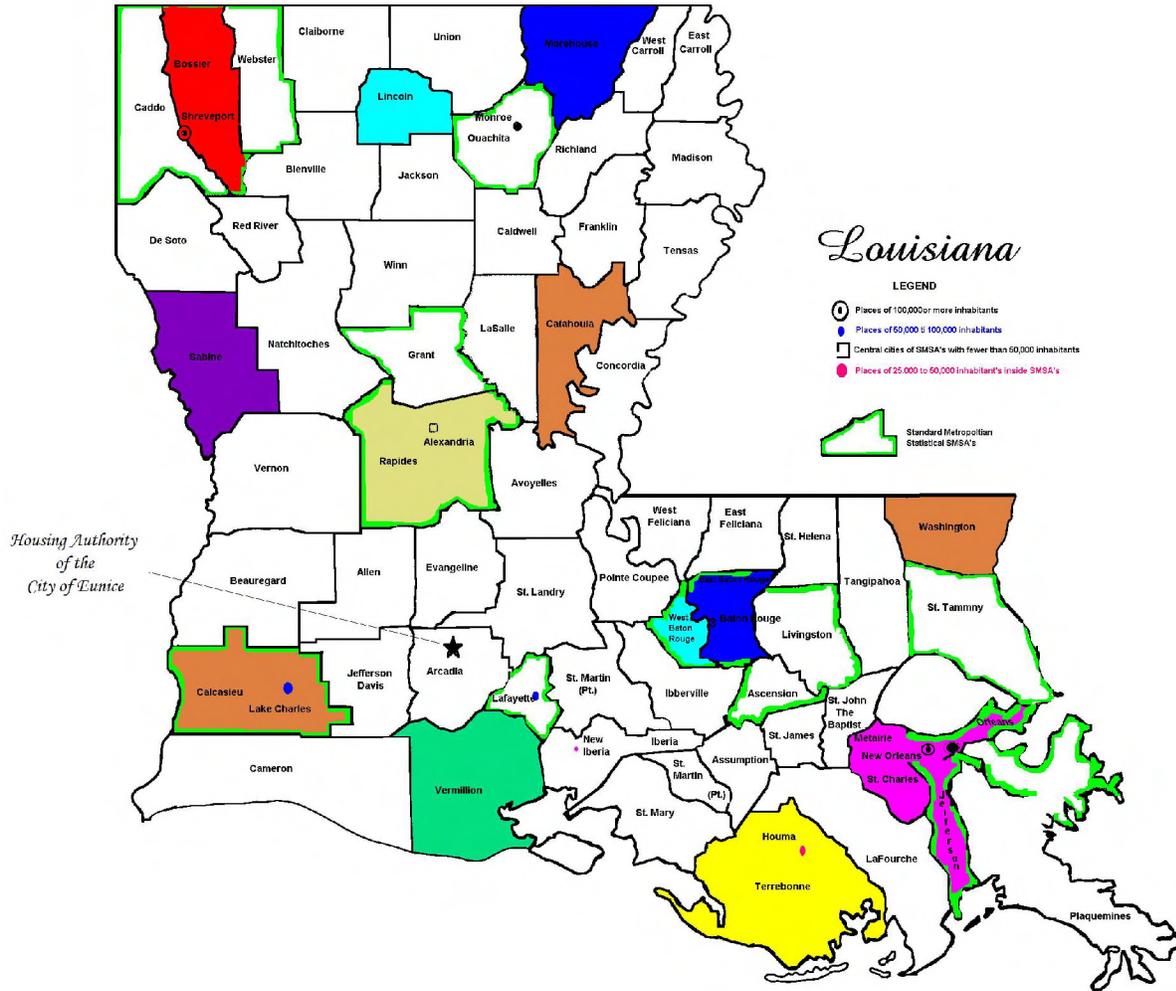


**HOUSING AUTHORITY OF THE
CITY OF EUNICE, LOUISIANA**

**Basic Financial Statements &
Independent Auditor's Reports**

September 30, 2023

HOUSING AUTHORITY OF THE CITY OF EUNICE EUNICE, LOUISIANA



* The Eunice Housing Authority is chartered as a public corporation for the purpose of administering housing programs for low-income families. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the Eunice Housing Authority to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

**Housing Authority of the
City of Eunice, Louisiana**

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September 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

Housing Authority of the
City of Eunice, Louisiana

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Eunice, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the housing authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the City of Eunice, as of September 30, 2023, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the 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 Housing Authority of the City of Eunice 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes

the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Housing Authority of the City of Eunice's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Housing Authority of the City of Eunice's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2024 on our consideration of the Housing Authority of the City of Eunice's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Eunice's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated March 14, 2024, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

The Vercher Group

Jena, Louisiana

March 14, 2024

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION
& ANALYSIS (MD&A)

September 30, 2023

**Housing Authority of the
City of Eunice, Louisiana**

**Management's Discussion and Analysis (MD&A)
September 30, 2023**

As management of the Housing Authority of The City of Eunice, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which are attached.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$6,097,115 (net position).
- As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$1,085,075.
- The Authority's cash balance at September 30, 2023, was \$927,534, while investments totaled \$583,443.
- The Authority had total revenue of \$2,617,832 in which \$1,119,933 was operating revenue, \$5,539 was non-operating revenue, and \$1,492,360 was capital contributions.
- The Authority had total expenses of \$1,547,130, of which \$226,257 was for depreciation, which is a non-cash transaction.
- The Authority had a total change in net position of \$1,070,702.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and the notes to the financial statements. This report also contains the Schedule of Expenditures of Federal Awards as supplementary information in addition to the basic financial statements themselves.

The Authority has only one fund type, namely a proprietary fund. The Statement of Net Position includes all of the Authority's assets and liabilities. This fund type is unused for activities which are financed and operated in a manner similar to those in the private sector.

The Authority has two main funding sources in its financial operation. These are the Low Rent Public Housing and the Capital Fund Programs. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula. The purpose of this program is to provide funding for low rent housing programs to allow them to make purchases and capital improvements for the current dwelling structures and assist in their operations.

**Housing Authority of the
City of Eunice, Louisiana**

**Management's Discussion and Analysis (MD&A)
September 30, 2023**

The Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements.

The table below lists the asset and liability comparisons for the year ended September 30, 2023.

Statement of Net Position			
Category	2022	2023	% Change
Current Assets	\$ 2,473,079	\$ 1,507,231	-39.1
Current Restricted Assets	48,174	48,683	1.1
Capital Assets-Net of Depreciation	2,983,905	5,012,040	68.0
Total Assets	5,505,158	6,567,954	19.3
Current Liabilities	401,950	421,083	4.8
Liabilities Payable from Restricted Assets	34,115	34,200	0.2
Non-Current Liabilities	42,680	15,556	-63.6
Total Liabilities	478,745	470,839	-1.7
Net Investment in Capital Assets	2,983,905	5,012,040	68.0
Unrestricted Net Position	2,042,508	1,085,075	-46.9
Total Net Position	\$ 5,026,413	\$ 6,097,115	21.3

- Total assets increased by \$1,062,796 or 19.3% from last year. The primary reason for this increase is due to capital assets, net of accumulated depreciation which increased by \$2,028,035 or 68.0%.
- Total liabilities decreased by \$7,906 or 1.7%. This decrease was caused by a decrease in non-current liabilities.

**Housing Authority of the
City of Eunice, Louisiana**

**Management's Discussion and Analysis (MD&A)
September 30, 2023**

The table below lists the revenue and expense comparisons for the year ended September 30, 2023.

Operating Revenues	2022	2023	% Change
Rental Revenue	\$ 339,421	\$ 406,702	19.8
Other Tenant Revenue	139,745	177,529	27.0
HUD Operating Grants	740,438	535,702	-27.7
Total Operating Revenues	<u>1,219,604</u>	<u>1,119,933</u>	-8.2
Operating Expenses			
<i>Administration:</i>			
Administrative Salaries	79,316	106,503	34.3
EBC-Administrative	68,985	57,608	-16.5
Other Operating - Administrative	57,896	89,849	55.2
<i>Cost of Sales & Service:</i>			
Tenant Services – Other	10,481	5,152	-50.8
Water	65,755	52,947	-19.5
Electricity	186,284	177,591	-4.7
Gas	15,500	2,983	-80.8
Other Utilities	15,490	15,514	0.2
O/M – Labor	119,939	135,671	13.1
O/M – Materials & Other	244,314	170,401	-30.3
O/M – Contracts	7,760	1,850	-76.2
EBC Maintenance	22,668	10,784	-52.4
Insurance	193,639	274,411	41.7
PILOT	8,000	8,000	0.0
Compensated Absences	20,391	14,681	-28.0
Protective Services	33,967	23,127	-31.9
Bad Debt	6,542	-0-	-100.0
Other General Expenses	120,293	-0-	-100.0
<i>Depreciation</i>	211,983	226,257	6.7
Total Operating Expenses	<u>1,489,203</u>	<u>1,373,329</u>	-7.8
Operating Income (Loss)	<u>(269,599)</u>	<u>(253,396)</u>	194.0
Nonoperating Revenues (Expenses)			
Interest Income	2,452	2,038	-16.9
Extraordinary Maintenance	(14,787)	(173,801)	-1275.4
Other Revenue	153,698	-0-	-100.0
Gain or loss on Sale of Capital Assets	4,286	3,501	-18.3
Total Nonoperating Revenues (Expenses)	<u>145,649</u>	<u>(168,262)</u>	-215.5
Capital Contributions	37,303	1,492,360	3900.6
Change in Net Position	(86,647)	1,070,702	1335.7
Total Net Position - Beginning	5,113,060	5,026,413	-1.7
Total Net Position - Ending	<u>\$ 5,026,413</u>	<u>\$ 6,097,115</u>	21.3

- Total operating revenues decreased by \$99,671 or 8.2%. The reason for this decrease is due to a decrease in HUD Operating Grants in the amount of \$204,736.
- Operating expenses decreased by \$115,874 or 7.8%.
- Non-operating revenues (expenses) decreased by \$313,911 or 215.5%. The reason for this decrease is due to a decrease in other revenue to the amount of \$153,698 and a decrease in extraordinary expense in the amount of \$159,014 or 1275.4%.

**Housing Authority of the
City of Eunice, Louisiana**

**Management's Discussion and Analysis (MD&A)
September 30, 2023**

Capital Assets

As of September 30, 2023, the Authority's investment in capital assets was \$5,012,040 (net of accumulated depreciation). This investment included land, building, building improvements, dwelling equipment, and maintenance equipment.

Capital Assets at Year-End

	<u>2022</u>	<u>2023</u>
Land *	\$ 382,412	\$ 382,412
Buildings & Improvements	9,001,973	11,171,902
Furniture & Equipment	289,487	351,567
Accumulated Depreciation	(6,689,967)	(6,893,841)
Total	<u>\$ 2,983,905</u>	<u>\$ 5,012,040</u>

* Land in the amount of \$382,412 is not being depreciated.

Long Term Debt

The Authority does not have any long-term liabilities at this time.

Future Events that will impact the Authority

The Authority relies heavily upon HUD operating subsidies. The amount appropriated has not currently been approved for the FYE 2024 year. Therefore, any results of budget shortfalls cannot be determined.

The Authority is under a contract through its Capital Fund Program to continue with the work as stated above and incorporate any new work items into its operation.

Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following address:

Housing Authority of the City of Eunice
PO Box 224
Eunice, LA 70535

Basic Financial Statements

**Housing Authority of the
City of Eunice, Louisiana
Statement of Net Position
September 30, 2023**

CURRENT ASSETS	
Cash	\$ 878,851
Investments	583,443
Receivables (Net of Allowance)	20,619
Prepaid Insurance	24,318
Restricted:	
Cash – Tenant’s Security Deposits	48,683
TOTAL CURRENT ASSETS	<u>1,555,914</u>
 NON-CURRENT ASSETS	
Capital Assets (Net of Accumulated Depreciation)	5,012,040
TOTAL NON-CURRENT ASSETS	<u>5,012,040</u>
 TOTAL ASSETS	 <u><u>6,567,954</u></u>
 CURRENT LIABILITIES	
Accounts Payable	33,124
Accrued Wages/Payroll Taxes Payable	9,881
Accrued Compensated Absences	4,289
Other Accrued Liabilities	1,563
Unearned Revenue	372,226
TOTAL CURRENT LIABILITIES	<u>421,083</u>
 LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Tenant Security Deposits	34,200
TOTAL LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>34,200</u>
 NON-CURRENT LIABILITIES	
Accrued Compensated Absences	15,556
TOTAL NON-CURRENT LIABILITIES	<u>15,556</u>
 TOTAL LIABILITIES	 <u>470,839</u>
 NET POSITION	
Net Investment in Capital Assets	5,012,040
Unrestricted	1,085,075
TOTAL NET POSITION	<u><u>\$ 6,097,115</u></u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the
City of Eunice, Louisiana
Statement of Revenues, Expenses & Changes in Net Position
Year Ended September 30, 2023**

OPERATING REVENUES	
Rental Revenue	\$ 406,702
Other Tenant Revenue	177,529
HUD Operating Grants	535,702
TOTAL OPERATING REVENUES	<u>1,119,933</u>
OPERATING EXPENSES	
<i>Administration:</i>	
Administrative Salaries	106,503
EBC-Administrative	57,608
Other Operating - Administrative	89,849
<i>Cost of Sales & Service:</i>	
Tenant Services – Other	5,152
Water	52,947
Electricity	177,591
Gas	2,983
Other Utilities	15,514
O/M – Labor	135,671
O/M – Materials & Other	170,401
O/M – Contracts	1,850
EBC Maintenance	10,784
Insurance	274,411
PILOT	8,000
Compensated Absences	14,681
Bad Debt Tenant’s Rent	-0-
Protective Services	23,127
Other General Expenses	-0-
<i>Depreciation</i>	226,257
TOTAL OPERATING EXPENSES	<u>1,373,329</u>
OPERATING INCOME (LOSS)	<u>(253,396)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Income	2,038
Other Revenue	-0-
Extraordinary Maintenance	(173,801)
Gain or loss on Sale of Capital Assets	3,501
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(168,262)</u>
Capital Contributions	1,492,360
CHANGE IN NET POSITION	1,070,702
TOTAL NET POSITION - BEGINNING	5,026,413
TOTAL NET POSITION - ENDING	<u>\$ 6,097,115</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the
City of Eunice, Louisiana
Statement of Cash Flows
Year Ended September 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received From Tenants	\$ 653,802
Cash Received From Government Operating Subsidy	535,702
Cash Payments to Suppliers for Goods & Services	(934,313)
Cash Payments to Employees for Services	(247,817)
Cash Payments to Payments in Lieu of Taxes (PILOT)	(8,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(626)</u>
 CASH FLOWS FROM NONCAPITAL ACTIVITIES	
Other Revenue	3,501
Extraordinary Maintenance	(173,801)
NET CASH PROVIDED (USED) BY NONCAPITAL ACTIVITIES	<u>(170,300)</u>
 CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Subsidy From Capital Grants	1,492,360
Acquisition of Capital Assets	(2,254,392)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(762,032)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Cash Provided by Interest From Investments	2,038
Decrease in Investments	97,686
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>99,724</u>
 NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	 (833,234)
 CASH, BEGINNING OF YEAR	 <u>1,760,768</u>
CASH, END OF YEAR	<u><u>927,534</u></u>
 RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	878,851
Tenants' Security Deposits	48,683
TOTAL CASH & CASH EQUIVALENTS	\$ <u><u>927,534</u></u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the
City of Eunice, Louisiana
Statement of Cash Flows
Year Ended September 30, 2023**

Reconciliation

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ <u>(253,396)</u>
Depreciation Expense	226,257
(Increase) Decrease in Accounts Receivable	(11,326)
(Increase) Decrease in Prepaid Insurance	45,745
Increase (Decrease) in Accounts Payable	(9,505)
Increase (Decrease) in Wages/Payroll Taxes Payable	(2,928)
Increase (Decrease) in Compensated Absences	(29,715)
Increase (Decrease) in Other Accrued Liabilities	(910)
Increase (Decrease) in Tenant Security Deposits	85
Increase (Decrease) in Unearned Revenue	<u>35,067</u>
TOTAL ADJUSTMENTS	<u>252,770</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ <u>(626)</u>

LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES

Contributions of Capital Assets From Government	\$ <u><u>-0-</u></u>
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The accompanying notes are an integral part of this statement.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

INTRODUCTION

The Housing Authority of the City of Eunice is an apartment complex for persons of low income located in Eunice, Louisiana. The Authority is chartered as a public corporation for the purpose of administering decent, safe and sanitary dwellings for persons of low-income.

Legal title to the Authority is held by the Housing Authority of the City of Eunice, Louisiana, a non-profit corporation. The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of Eunice, Louisiana. Each member serves a four-year term. Substantially all of the Authority's revenue is derived from subsidy contracts with the U. S. Department of Housing and Urban Development (HUD). The annual contributions contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities for eligible individuals.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separated and fiscally independent, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, account groups, activities, etc., that are within the oversight responsibility of the Housing Authority.

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

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. BASIC FINANCIAL STATEMENTS

The basic financial statements (i.e., the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position) report information on all of the activities of the Authority.

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accompanying financial statements include the activities of several housing programs subsidized by HUD. A summary of each significant program is provided below.

- **Low Income Housing Program** – The purpose of the low-income housing program is to provide decent and affordable housing to low income families at reduced rents. The developments are owned, maintained and managed by the Authority. The developments are acquired, developed and modernized under HUD’s capital funds programs. Funding of the program operations is provided via federal annual contribution contracts (operating subsidies) and tenant rents (determined as a percentage of family income, adjusted for family composition).
- **Capital Fund Program** – The objective of these programs is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program.

As a general rule, the effect of Interfund activity has been eliminated from the basic financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s enterprise operations. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Operating revenues and expenses have been reported separately from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The primary operating revenue of the Housing Authority is derived from tenant revenues and operating grants. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Housing Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

C. DEPOSITS & INVESTMENTS

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Authority's investment policy allow the Housing Authority to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the Authority are reported at fair value.

D. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of Interfund loans) or "advances to/from other funds" (i.e., the non-current portion of Interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the accompanying financial statements, are offset by a restriction on net assets. All trade and other receivables are shown net of an allowance for uncollectable.

E. INVENTORIES & PREPAID ITEMS

All inventories are valued at cost using the first-in/first out method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both basic and fund financial statements.

F. CAPITAL ASSETS

Capital assets, which include land, buildings, improvements, and equipment, are reported in columns in the basic financial statements. Capital assets are capitalized at historical cost. The PHA maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings	20 Years
Buildings Improvements	10 Years
Non dwelling Structures	10 Years
Vehicles	5 Years

G. COMPENSATED ABSENCES

The Authority follows the civil service guidelines for vacation and sick leave. Employee's time is accumulated in accordance with hours worked per month. At year-end, time not used is accumulated.

At September 30, 2023, employees of the PHA had accumulated and vested \$19,845 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at September 30, 2023, was \$4,289 recorded as current obligation and \$15,556 recorded as non-current obligation.

H. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their 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 positions that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

I. EXTRAORDINARY & SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Housing Authority, which are either unusual in nature or infrequent in occurrence.

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At September 30, 2023, the Housing Authority had cash and investments (bank balances) totaling \$1,298,052 as follows:

Description	St. Landry Bank & Trust	Jeff Davis Bank	Basile State Bank	Total
Demand Deposits	\$ 885,576	\$ -0-	\$ -0-	\$ 885,576
Time Deposits	-0-	261,062	151,414	412,476
Total Securities	\$ 885,576	\$ 261,062	\$ 151,414	\$ 1,298,052

These deposits are stated at cost, which approximated market. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity’s name.

Deposits

It is the housing authority’s policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The housing authority’s deposits are categorized to give an indication of the level of risk assumed by the housing authority at year end. The categories are described as follows:

- ***Category 1*** – Insured or collateralized with securities held by the housing authority or by its agent in the housing authority’s name.
- ***Category 2*** – Collateralized with securities held by the pledging financial institution’s trust department or agent in the housing authority’s name.
- ***Category 3*** – Uncollateralized.

Amounts on deposit are secured by the following pledges:

Description	St. Landry Bank & Trust	Jeff Davis Bank	Basile State Bank
FDIC (Category 1)	\$ 250,000	\$ 250,000	\$ 151,414
Securities (Category 2)	1,659,428	-0-	-0-
Total Securities	<u>\$ 1,909,428</u>	<u>\$ 250,000</u>	<u>\$ 151,414</u>

All deposits were not fully secured as of September 30, 2023.

For the purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of Eunice Housing Authority. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand savings accounts and certificates of deposit under 90 days.

3. ACCOUNTS RECEIVABLE

The receivables of \$20,619 as of September 30, 2023

Accounts Receivables – Tenants	\$	24,769
Accounts Receivables – Other		3,871
Accrued Interest		1,495
Allowance for Doubtful Accounts-Tenants		(716)
Allowance for Doubtful Accounts-Other		(8,800)
Total	\$	<u><u>20,619</u></u>

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

4. PREPAID ITEMS

The Housing Authority's prepaid items as of September 30, 2023, consist of the following:

Prepaid Insurance		24,318	
Total	\$	24,318	

5. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2023, was as follows:

Capital Assets	Beginning Balance	Additions	Deletions	Ending Balance
Land *	\$ 382,412	\$ -0-	\$ -0-	\$ 382,412
Building & Improvements	9,001,973	2,169,929	-0-	11,171,902
Furniture & Equipment	289,487	84,463	(22,383)	351,567
Total Capital Assets	9,673,872	2,254,392	(22,383)	11,905,881
Less Accumulated Depreciation	(6,689,967)	(226,257)	22,383	(6,893,841)
Capital Assets, Net of Accumulated Depreciation	\$ 2,983,905	\$ 2,028,135	\$ -0-	\$ 5,012,040

* Land in the amount of \$382,412 is not being depreciated.

6. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$421,083 at September 30, 2023, are as follows:

Accounts Payable		\$ 33,124	
Accrued Wages/Payroll Taxes Payable		9,881	
Accrued Compensated Absences (Current)		4,289	
Accrued Liabilities-Other		1,563	
Unearned Revenue		372,226	
Total	\$	421,083	

7. CHANGES IN COMPENSATED ABSENCES PAYABLES

The following is a summary of changes in compensated absences payable at September 30, 2023:

	Current	Noncurrent	Total
Beginning of year	\$ 6,880	\$ 42,680	\$ 49,560
Additions/(Retirements)	(2,591)	(27,124)	(29,715)
End of year	\$ 4,289	\$ 15,556	\$ 19,845

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

8. UNEARNED REVENUE

The Housing Authority is currently working with FEMA and State Disaster Recovery Unit to secure funding to make necessary repairs to units damaged by the 2016 flood. The following Capital Fund Programs have been deferred until the Housing Authority receives this disaster funding:

Capital Grants	\$ 372,226
----------------	------------

9. BOARD OF COMMISSIONERS

<u>Name</u>	<u>Title</u>
August Courville, Jr	Chairman
Rogers Allison	Commissioner
Darrell Dies	Commissioner
David Guillory	Commissioner
Linda Stevens	Commissioner

The board members of the Housing Authority received no compensation for their services.

10. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing & Urban Development provided \$2,028,062 to the Housing Authority, which represents approximately 77.6% of the Housing Authority's revenues for the year.

11. CONTINGENT LIABILITIES

At September 30, 2023, the Housing Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the Housing Authority in the current and prior years. These examinations may result in required refunds by the Housing Authority to federal grantors and/or program beneficiaries.

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

12. PENSION PLAN

All current full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment with the Authority. All current full-time employees who were participants in the prior retirement plan shall automatically be participants in the Plan. Eligible employees may annually elect the level of after-tax employee contributions that they will make to the Plan for the upcoming calendar year, and the Authority will contribute a corresponding percentage of the employee's base rate of pay for that same period as indicated in the table below:

	<u>If the Employee Contributes</u>	<u>The Authority will Contribute</u>
Level 1	5%	7%
Level 2	6%	8%
Level 3	8%	10%

The normal retirement date shall be the first date of the month following or coincident with the participating Employee's 55th birthday. Participating employees who were participants in the Authority's previous plan shall retain their vested interest and transfer said vested interest as though they had participated in the Plan from the date of their initial participation in the previous plan. Participating employees shall vest in the Authority's contributions at the rate of twenty percent (20%) for each full year of continuous employment with the Employer. Notwithstanding the above, any participant shall be fully vested in the Authority's contributions if, while employed by the Authority: he or she attains normal retirement age, becomes totally and permanently disabled, or dies.

Forfeitures under the Plan for each plan year, if any, will be used to pay the Authority's administrative expenses under the Plan. Administrative expenses equal five percent of mandatory employee and employer contributions. There is no charge on voluntary contributions, loan payments, rollovers-in or funds rolled over from a prior plan. Any balance remaining after payment of expenses will either be returned to the Authority for purposes determined by the Authority and consistence with HUD Notice PIH 2005-03 (PHA) or credited to the Authority's account under the Plan and used to offset required Authority contributions for the following plan year. The Authority's contributions to the Plan for the years ended September 30, 2023, and 2022 were \$17,321 and \$18,262, respectively.

**Housing Authority of the
City of Eunice, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2023**

13. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, March 14, 2024, of the independent auditor's report for potential recognition or disclosure in the financial statements.

Supplementary Information

**Housing Authority of the
City of Eunice, Louisiana**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended September 30, 2023**

Eunice Housing Authority
Angelia Guillory, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 58,049
Benefits-Insurance	10,500
Benefits-Retirement	5,248
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	500
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Housing Authority of the
City of Eunice, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
<i>Other Programs</i>			
Department of Homeland Security			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	\$	<u>581,172</u>
Department of Housing and Urban Development Direct Programs			
Public and Indian Housing	14.850	\$	535,702
Public Housing Capital Fund			
Public Housing Capital Fund	14.872	\$	<u>729,277</u>
<i>Total Department of Housing and Urban Development</i>		\$	<u>1,264,979</u>
 <i>Total Expenditures of Federal Awards</i>		 \$	 <u>1,846,151</u>

**HOUSING AUTHORITY OF
CITY OF EUNCIE, LOUISIANA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2023**

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Uniform Guidance

The Office of Management and Budget “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule” was released in the Federal Register on December 26, 2013 (2 CFR Chapter I, Chapter II, Part 200, et al.). This guidance supersedes requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.” The new requirements state that an entity expending \$750,000 or more of federal funds adhere to the Uniform Requirements.

The funds used to account for these funds use the accrual basis of accounting.

1.) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority’s basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2.) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority’s basic financial statements.

3.) Relationship to Basic Financial Statements

Federal award revenues are reported in the Housing Authority’s basic financial statements as follows:

General:		
Operating Subsidy – Public & Indian Housing	\$	535,702
Disaster Grants-Public Assistance		759,381
Capital Fund Grant		732,980
Total	\$	<u>2,028,063</u>

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with U.S. generally accepted accounting principles.

4.) Federal Awards

In accordance with HUD Notice PIH 98-14, “federal awards” do not include the Housing Authority’s operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be “expended” during the fiscal year.

5.) Indirect Cost Rate

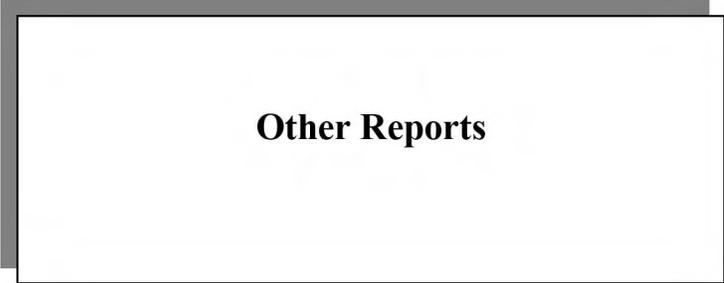
Eunice Housing Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Presented for purposes of additional analysis only.

**Housing Authority of the
City of Eunice, Louisiana**

**Statement and Certification of Actual Modernization Cost
Annual Contribution Contract
September 30, 2023**

	<u>(Incomplete) CFP Project 501-2017</u>	<u>(Incomplete) CFP Project 501-2019</u>	<u>(Incomplete) CFP Project 501-2020</u>	<u>(Complete) CFP Project 501-2021</u>	<u>(Incomplete) CFP Project 501-2022</u>	<u>Total</u>
The Actual Modernization Costs are as follows:						
1. Funds Authorized Total	\$ 182,786	\$ 268,481	\$ 288,423	\$ 298,569	\$ 374,836	\$ 1,413,095
Funds Expended	<u>(102,857)</u>	<u>(105,262)</u>	<u>(267,236)</u>	<u>(298,569)</u>	<u>(8,264)</u>	<u>(782,188)</u>
Excess of Funds Approved	<u>79,929</u>	<u>163,219</u>	<u>21,187</u>	<u>-0-</u>	<u>366,572</u>	<u>630,907</u>
2. Funds Advanced	102,857	105,262	267,236	298,569	8,264	782,188
Funds Expended	<u>(102,857)</u>	<u>(105,262)</u>	<u>(267,236)</u>	<u>(298,569)</u>	<u>(8,264)</u>	<u>(782,188)</u>
Excess of Funds	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>



Other Reports

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

Housing Authority of the
City of Eunice, 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 Eunice, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Eunice's basic financial statements, and have issued our report thereon dated March 14, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Eunice's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Eunice's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Eunice'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items **2023-1**

Deposits in Excess of FDIC & pledged securities Coverage that we consider to be significant deficiencies.

Compliance and Other Matters

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

Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the City of Eunice's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Eunice's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion.

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.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document, and its distribution is not limited.

The Vercher Group

Jena, Louisiana

March 14, 2024

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

Housing Authority of the
City of Eunice, Louisiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Housing Authority of the City of Eunice’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 Housing Authority of the City of Eunice’s major federal programs for the year ended September 30, 2023. The Housing Authority of the City of Eunice’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Disaster grants -Public Assistance

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Housing Authority of the City of Eunice complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Disaster Grants – Public Assistance for the year ended September 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Housing Authority of the City of Eunice complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2023.

Basis for Qualified and Unmodified Opinions

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 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 Housing Authority of the City of Eunice 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority of the City of Eunice's compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Disaster Grants-Public Assistance

As described in the accompanying schedule of findings and questioned costs, the Housing Authority of the City of Eunice did not comply with requirements regarding Disaster Grants-Public Assistance as described in finding **2023-2 Allowable Costs**.

Compliance with such requirements is necessary, in our opinion, for the Housing Authority of the City of Eunice to comply with the requirements applicable to that program.

Responsibilities 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 Housing Authority of the City of Eunice's federal programs.

Auditor's Responsibilities 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 Housing Authority of the City of Eunice'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 Housing Authority of the City of Eunice'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 Housing Authority of the City of Eunice'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 Housing Authority of the City of Eunice'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 Housing Authority of the City of Eunice'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.

Report on Internal Control over Compliance

Our consideration for 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **2023-2 Allowable Costs** to be material weaknesses.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the City of Eunice’s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. the Housing Authority of the City of Eunice’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

The Vercher Group

Jena, Louisiana
March 14, 2024

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended September 30, 2023**

We have audited the basic financial statements of the Housing Authority of the City of Eunice, as of and for the year ended September 30, 2023, and have issued our report thereon dated March 14, 2024. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I Summary of Auditor's Results

Our audit of the financial statements as of September 30, 2023, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards

Internal Control

Material Weaknesses Yes Other Conditions Yes

Type of Opinion on Compliance Unmodified Modified
For Major Programs Disclaimer Adverse

Are the findings required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)
14.850	Public and Indian Housing
97.036	Disaster Grants-Public Assistance

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee a 'low risk' auditee, as defined by OMB Uniform Guidance? Yes No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended September 30, 2023**

Section II - Financial Statement Findings

2023-1 Deposits in Excess of the FDIC & pledged securities coverage (Internal Control)

Condition: Bank deposits at St. Landry Bank were under secured by \$11,062 as of September 30, 2023.

Criteria: State law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

Cause of Condition: Oversight by bank.

Effect of Condition: Loss to the Housing Authority in the event of bank failure.

Recommendation: The Housing Authority's accounting department should contact its bank periodically to determine that account balances are properly secured.

Client Response: The Housing Authority's accounting department will periodically contact the bank to determine that bank accounts are fully secured.

Section III – Federal Awards Findings and Questioned Costs.

2023-2 Allowable Cost

Condition: We found 1 error in that architect certification #3 paid with check number 102 on June 30, 2023, was also paid with check number 104 resulting in an overpayment to the contractor in the amount of \$168,300.

Criteria: Costs must be necessary and reasonable for the performance of the Federal award and be allocable thereto under the principles in 2 CFR part 200, subpart E.

Cause of Condition: Error paying invoices.

Effect of Condition: Compliance violation.

Recommendation: Invoice should only be paid after approval by the entity's consultant.

Client Response: The entity will work with its consultant to reach a resolution to the finding.

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MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Housing Authority's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items to report.

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

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Housing Authority of the City of Eunice has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended September 30, 2022.

PRIOR YEAR FINDINGS

No items to report.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Housing Authority of the City of Eunice and the Louisiana Legislative Auditor:

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 fiscal period October 1, 2022, through September 30, 2023. The Housing Authority of the City of Eunice management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority of the City of Eunice 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 October 1, 2022, through September 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 as follows:

Written Policies and Procedures

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

- e) ***Payroll/Personnel***, including (1) payroll processing, (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.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (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.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***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.
- l) ***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.

Exception: The entity did not have a complete Information Tech. Policy.

Management's Response: The entity plans to have the complete policy in the subsequent year.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe 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. *Alternately, for those entities reporting on the nonprofit 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.

No exceptions noted in the procedures performed.

Bank Reconciliations

- 3. 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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated 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 it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted in the procedures performed.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

No exceptions noted in the procedures performed.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted in the procedures performed.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions noted in the procedures performed.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 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.

No exceptions noted in the procedures performed.

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

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

No exceptions noted in the procedures performed.

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

No exceptions noted in the procedures performed.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliation 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, and (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.

No exceptions noted in the procedures performed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. 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.

No exceptions noted in the procedures performed.

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

No exceptions noted in the procedures performed.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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.

No exceptions noted in the procedures performed.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe 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 the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe 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 each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in the procedures performed.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether 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 whether 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 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).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in the procedures performed.

Payroll and Personnel

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

No exceptions noted in the procedures performed.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe 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 whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted in the procedures performed.

19. 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's policy on termination payments. Agree the hours to the employee or officials' cumulative 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.

No exceptions noted in the procedures performed.

20. 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.

No exceptions noted in the procedures performed.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether 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.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted in the procedures performed.

Debt Service

23. 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 State Bond Commission approval was obtained for each debt instrument issued.
24. 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).

No exceptions noted in the procedures performed.

Fraud Notice

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

No exceptions noted in the procedures performed.

26. Observe 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.

No exceptions noted in the procedures performed.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. 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.
- ii. 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.
- iii. 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.

No exceptions noted in the procedures performed.

Sexual Harassment

28. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.

No exceptions noted in the procedures performed.

29. Observe 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).

Exception: The entity did not post its sexual harassment policy and complaint procedure on its website.

Management's Response: The entity plans to post its sexual harassment policy on its website in the subsequent period.

30. 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 it includes the applicable requirements of R.S. 42:344:
1. Number and percentage of public servants in the agency who have completed the training requirements;
 2. Number of sexual harassment complaints received by the agency;
 3. Number of complaints which resulted in a finding that sexual harassment occurred;
 4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 5. Amount of time it took to resolve each complaint.

Exception: The entity did not obtain a sexual harassment report for the fiscal period.

Management's Response: The entity plans to complete the report and post on its website in the next fiscal period.

We were engaged by the Housing Authority of the City of Eunice 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 Eunice 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.

The Vercher Group

Jena, Louisiana
March 14, 2024

Financial Data Schedule

Housing Authority of the City of Eunice (LA025)

EUNICE, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2023

Submission Type:	Audited/Single Audit	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
111	Cash - Unrestricted	\$878,851		\$878,851	\$878,851
114	Cash - Tenant Security Deposits	\$48,683		\$48,683	\$48,683
100	Total Cash	\$927,534	\$0	\$927,534	\$927,534
125	Accounts Receivable - Miscellaneous	\$150		\$150	\$150
126	Accounts Receivable - Tenants	\$24,769		\$24,769	\$24,769
126.1	Allowance for Doubtful Accounts - Tenants	-\$716		-\$716	-\$716
126.2	Allowance for Doubtful Accounts - Other	-\$8,800		-\$8,800	-\$8,800
127	Notes, Loans, & Mortgages Receivable - Current	\$3,721		\$3,721	\$3,721
129	Accrued Interest Receivable	\$1,495		\$1,495	\$1,495
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$20,619	\$0	\$20,619	\$20,619
131	Investments - Unrestricted	\$583,443		\$583,443	\$583,443
142	Prepaid Expenses and Other Assets	\$24,318		\$24,318	\$24,318
150	Total Current Assets	\$1,555,914	\$0	\$1,555,914	\$1,555,914
161	Land	\$382,412		\$382,412	\$382,412
162	Buildings	\$11,171,902		\$11,171,902	\$11,171,902
163	Furniture, Equipment & Machinery - Dwellings	\$160,065		\$160,065	\$160,065
164	Furniture, Equipment & Machinery - Administration	\$191,502		\$191,502	\$191,502
165	Leasehold Improvements				
166	Accumulated Depreciation	-\$6,893,841		-\$6,893,841	-\$6,893,841
160	Total Capital Assets, Net of Accumulated Depreciation	\$5,012,040	\$0	\$5,012,040	\$5,012,040
180	Total Non-Current Assets	\$5,012,040	\$0	\$5,012,040	\$5,012,040
290	Total Assets and Deferred Outflow of Resources	\$6,567,954	\$0	\$6,567,954	\$6,567,954
312	Accounts Payable <= 90 Days	\$33,124		\$33,124	\$33,124
321	Accrued Wage/Payroll Taxes Payable	\$9,881		\$9,881	\$9,881
322	Accrued Compensated Absences - Current Portion	\$4,289		\$4,289	\$4,289
341	Tenant Security Deposits	\$34,200		\$34,200	\$34,200
342	Unearned Revenue	\$372,226		\$372,226	\$372,226
345	Other Current Liabilities	\$1,563		\$1,563	\$1,563
310	Total Current Liabilities	\$455,283	\$0	\$455,283	\$455,283
354	Accrued Compensated Absences - Non Current	\$15,556		\$15,556	\$15,556
350	Total Non-Current Liabilities	\$15,556	\$0	\$15,556	\$15,556
300	Total Liabilities	\$470,839	\$0	\$470,839	\$470,839
508.4	Net Investment in Capital Assets	\$5,012,040		\$5,012,040	\$5,012,040
512.4	Unrestricted Net Position	\$1,085,075	\$0	\$1,085,075	\$1,085,075
513	Total Equity - Net Assets / Position	\$6,097,115	\$0	\$6,097,115	\$6,097,115
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$6,567,954	\$0	\$6,567,954	\$6,567,954

**Housing Authority of the City of Eunice (LA025)
EUNICE, LA**

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End:
09/30/2023

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	Total
70300 Net Tenant Rental Revenue	\$406,702		\$406,702	\$406,702
70400 Tenant Revenue - Other	\$177,529		\$177,529	\$177,529
70500 Total Tenant Revenue	\$584,231	\$0	\$584,231	\$584,231
70600 HUD PHA Operating Grants	\$535,702		\$535,702	\$535,702
70610 Capital Grants	\$1,492,360		\$1,492,360	\$1,492,360
71100 Investment Income - Unrestricted	\$2,038		\$2,038	\$2,038
71600 Gain or Loss on Sale of Capital Assets	\$3,501		\$3,501	\$3,501
70000 Total Revenue	\$2,617,832	\$0	\$2,617,832	\$2,617,832
91100 Administrative Salaries	\$106,503		\$106,503	\$106,503
91200 Auditing Fees	\$13,925		\$13,925	\$13,925
91310 Book-keeping Fee	\$9,805		\$9,805	\$9,805
91500 Employee Benefit contributions - Administrative	\$57,608		\$57,608	\$57,608
91600 Office Expenses	\$47,886		\$47,886	\$47,886
91700 Legal Expense	\$12,675		\$12,675	\$12,675
91800 Travel	\$3,620		\$3,620	\$3,620
91900 Other	\$1,938		\$1,938	\$1,938
91000 Total Operating - Administrative	\$253,960	\$0	\$253,960	\$253,960
92400 Tenant Services - Other	\$5,152		\$5,152	\$5,152
92500 Total Tenant Services	\$5,152	\$0	\$5,152	\$5,152
93100 Water	\$52,947		\$52,947	\$52,947
93200 Electricity	\$177,591		\$177,591	\$177,591
93300 Gas	\$2,983		\$2,983	\$2,983
93600 Sewer	\$15,514		\$15,514	\$15,514
93000 Total Utilities	\$249,035	\$0	\$249,035	\$249,035
94100 Ordinary Maintenance and Operations - Labor	\$135,671		\$135,671	\$135,671
94200 Ordinary Maintenance and Operations - Materials and Other	\$170,401		\$170,401	\$170,401
94300 Ordinary Maintenance and Operations Contracts	\$1,850		\$1,850	\$1,850
94500 Employee Benefit Contributions - Ordinary Maintenance	\$10,784		\$10,784	\$10,784
94000 Total Maintenance	\$318,706	\$0	\$318,706	\$318,706
95100 Protective Services - Labor	\$23,127		\$23,127	\$23,127
95000 Total Protective Services	\$23,127	\$0	\$23,127	\$23,127

96110 Property Insurance	\$181,111		\$181,111	\$181,111
96120 Liability Insurance	\$16,465		\$16,465	\$16,465
96130 Workmen's Compensation	\$76,835		\$76,835	\$76,835
96100 Total insurance Premiums	\$274,411	\$0	\$274,411	\$274,411
96210 Compensated Absences	\$14,681		\$14,681	\$14,681
96300 Payments in Lieu of Taxes	\$8,000		\$8,000	\$8,000
96000 Total Other General Expenses	\$22,681	\$0	\$22,681	\$22,681
96900 Total Operating Expenses	\$1,147,072	\$0	\$1,147,072	\$1,147,072
97000 Excess of Operating Revenue over Operating Expenses	\$1,470,760	\$0	\$1,470,760	\$1,470,760
97100 Extraordinary Maintenance	\$173,801		\$173,801	\$173,801
97400 Depreciation Expense	\$226,257		\$226,257	\$226,257
90000 Total Expenses	\$1,547,130	\$0	\$1,547,130	\$1,547,130
10010 Operating Transfer In	\$1,492,360		\$1,492,360	\$1,492,360
10020 Operating transfer Out	-\$1,492,360		-\$1,492,360	-\$1,492,360
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$1,070,702	\$0	\$1,070,702	\$1,070,702
11030 Beginning Equity	\$5,026,413	\$0	\$5,026,413	\$5,026,413
11190 Unit Months Available	1440	0	1440	1440
11210 Number of Unit Months Leased	1402	0	1402	1402
11270 Excess Cash	\$980,872		\$980,872	\$980,872
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$4,339,858		\$4,339,858	\$4,339,858
11630 Furniture & Equipment - Dwelling Purchases	\$61,032		\$61,032	\$61,032
11640 Furniture & Equipment - Administrative Purchases	\$107,894		\$107,894	\$107,894
11650 Leasehold Improvements Purchases	\$0		\$0	\$0
11660 Infrastructure Purchases	\$0		\$0	\$0
13510 CFFP Debt Service Payments	\$0		\$0	\$0
13901 Replacement Housing Factor Funds	\$0		\$0	\$0

