PARTNERS FOR PROGRESS, INCORPORATED
(A COMPONENT UNIT OF THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH)

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

PARTNERS FOR PROGRESS, INCORPORATED
(A COMPONENT UNIT OF THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH)
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2023

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Partners for Progress, Incorporated
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of Partners for Progress, Incorporated (the Corporation) (a nonprofit corporation) (a component unit of The Housing Authority of East Baton Rouge Parish), as of and for the years ended September 30, 2023 and December 31, 2022, respectively, and the related notes to the financial statements, which collectively comprise the financial statements Corporation's based financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse

Adverse Opinion Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Company as of September 30, 2023 or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Business-Type Activities

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation's primary government, as of September 30, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation 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.

Matter Giving Rise to Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the Corporation's legally separate discretely presented component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Corporation's primary government unless the Corporation also issues financial statements for the financial reporting entity that include the financial data for its component units. The Corporation has not issued such reporting entity financial statements. The effects of not including the Corporation's legally separate component units on the aggregate discretely presented component units as of and for the year ended September 30, 2023 has not been determined.

Emphasis of Matter

As more fully discussed in Note 13, the Corporation recorded a prior period adjustment related to the correction of an error. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not 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. Our opinion on the financial statements is not affected by this missing information.

Board of Directors
Partners for Progress, Incorporated

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Chief Executive Officer (the supplementary information) is presented for the Louisiana Legislative Auditor's Office and is a required part of the financial statements by the Louisiana Legislative Auditor's Office. The Schedule is presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the 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 May 30, 2024, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
May 30, 2024

PARTNERS FOR PROGRESS, INCORPORATED
(A COMPONENT UNIT OF THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 1,216,698
Accounts Receivable - Other, Net Allowance for Doubtful Accounts of $95,542	569,508
Prepaid Items	5,180
Total Current Assets	1,791,386
CAPITAL ASSETS	
Land	292,500
Furniture and Equipment	15,418
Less: Accumulated Depreciation	(15,418)
Net Capital Assets	292,500
OTHER ASSETS	
Notes Receivable	7,513,544
Total Other Assets	7,513,544
Total Assets	$ 9,597,430
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	$ 11,103
Due to Primary Government (Operations)	2,157,289
Accrued Asset Management Fee	3,196
Accrued Wages and Payroll Taxes	4,021
Accrued Compensated Absences	1,219
Long-Term Debt, Current Portion	292,500
Total Current Liabilities	2,469,328
LONG-TERM LIABILITIES	
Long-Term Debt, Net of Current Portion	500,200
Accrued Compensated Absences - Noncurrent	10,976
Total Long-Term Liabilities	511,176
Total Liabilities	2,980,504
NET POSITION	
Unrestricted	6,616,926
Total Net Position	6,616,926
Total Liabilities and Net Position	$ 9,597,430

See accompanying Notes to Financial Statements.

PARTNERS FOR PROGRESS, INCORPORATED
(A COMPONENT UNIT OF THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2023

OPERATING REVENUES	
Other Revenue	$ 287,156
Grant Revenue from the Authority	517,860
Total Operating Revenues	805,016
OPERATING EXPENSES	
Administrative	362,235
Tenant Services	10,000
Utilities	1,797
Maintenance and Operations	3,029
Other General Expenses	17,828
Insurance	12,017
Total Operating Expenses	406,906
OPERATING INCOME	398,110
NONOPERATING REVENUES (EXPENSES)	
Interest Expense	(16,150)
CHANGE IN NET POSITION	381,960
Net Position - Beginning of Year, As Restated (See Note 14)	6,234,966
NET POSITION - END OF YEAR	$ 6,616,926

See accompanying Notes to Financial Statements.

PARTNERS FOR PROGRESS, INCORPORATED
(A COMPONENT UNIT OF THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH)
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Other Income Receipts	$	859,697
Cash Payments for Salaries and Benefits		(177,761)
Cash Payments to Vendors		(376,415)
Net Cash Provided by Operating Activities		305,521
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayment of Debt		(61,280)
Net Cash Used by Capital and Related Financing Activities		(61,280)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Advances from Housing Authority of East Baton Rouge Parish		488,500
Net Cash Provided by Noncapital and Related Financing Activities		488,500
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of Notes Receivable		(517,860)
Net Cash Used by Investing Activities		(517,860)
NET INCREASE IN CASH AND CASH EQUIVALENTS		214,881
Cash and Cash Equivalents - Beginning of Year		1,001,817
CASH AND CASH EQUIVALENTS - END OF YEAR	$	1,216,698
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	$	398,110
Adjustments to Reconcile Net Operating Income to Net Cash and Cash Equivalents:		
(Increase) Decrease in Assets:		
Accounts Receivable - Miscellaneous		54,681
Prepaid Costs		(3,827)
Increase (Decrease) in Liabilities:		
Accounts Payable		(151,085)
Accrued Wages and Payroll Taxes Payable		1,695
Accrued Compensated Absences		5,947
Net Cash Provided by Operating Activities	$	305,521
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Forgiveness of Accounts Receivable and Debt related to Copper Oaks Subdivision	$	117,125

See accompanying Notes to Financial Statements.

NOTE 1 REPORTING ENTITY DEFINITION

Partners for Progress, Incorporated (the Corporation) is a nonprofit Louisiana corporation, which was created as an instrumentality of The Housing Authority of East Baton Rouge Parish (the Authority) to develop low to moderate income housing in the Baton Rouge community. Because the Authority appoints a voting majority of the Corporation's governing body, and the Authority may significantly influence the activities of the Corporation, the Corporation is a component unit of the Authority. The Governmental Accounting Standards Board (GASB) established criteria for determining the Authority's inclusion of the Corporation as a component unit of the Authority. Since the Corporation maintains a substantively different governing board than the Authority, and the benefits derived from the services the Corporation provides extend beyond the Authority, the Corporation is considered to be a discrete component unit of the Authority and the financial activity of the Corporation is reported separately in the financial statements of the Authority. The Corporation's fiscal year-end is September 30.

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority is a Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund.

The Corporation's financial statements include the financial statements of the following wholly owned limited liability companies, which have no activity for the fiscal year ended September 30, 2023. Because these companies are wholly owned by the Corporation and almost exclusively benefit the Corporation, they meet the criteria to be considered blended component units of the Corporation:

Partners for Progress Development Company, LLC

Partners for Progress Development Company, LLC was created to function as an instrumentality of the Corporation to facilitate the development of twenty-five single family rental homes for low to moderate income families known as Brookstown Place Subdivision. Partners for Progress, Incorporated is the sole member of Partners for Progress Development Company, LLC.

Cedar Pointe Development, LLC

Cedar Pointe Development, LLC was created to function as an instrumentality of the Corporation to facilitate the development of eighty single family rental homes for low to moderate income families known as Cedar Pointe Subdivision. Partners for Progress, Incorporated is the sole member of Cedar Pointe Development, LLC.

Wesley Chapel Development, LLC

Wesley Chapel Development, LLC was created to function as an instrumentality of the Corporation to facilitate the rehabilitation of an eighty-two unit apartment complex for low to moderate income families known as Wesley Chapel Apartments. Partners for Progress, Incorporated is the sole member of Wesley Chapel Development, LLC.

NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)

Hospital Plaza I, LLC

Hospital Plaza I, LLC was created to function as an instrumentality of the Corporation to facilitate the development of a townhouse community for low-income families known as Willow Creek Townhomes. Partners for Progress, Incorporated is the sole member of Hospital Plaza I, LLC.

Colonial Courts I, LLC

Colonial Courts I, LLC was created to function as an instrumentality of the Corporation to facilitate the development of a townhouse community for low-income families known as Autumn Place Townhomes. Partners for Progress, Incorporated is the sole member of Colonial Courts I, LLC.

Roosevelt Terrace, LLC

Roosevelt Terrace, LLC was created to function as an instrumentality of the Corporation to facilitate the rehabilitation and development of an apartment complex for low-income families known as Roosevelt Terrace Apartments. Partners for Progress, Incorporated is the sole member of Roosevelt Terrace, LLC.

River South, LLC

River South, LLC was created to function as an instrumentality of the Corporation to facilitate the rehabilitation and development of an apartment complex for low-income families known as River South Apartments. Partners for Progress, Incorporated is the sole member of River South, LLC.

Cypress at Gardere, GP LLC

Cypress at Gardere, GP LLC was created to function as an instrumentality of the Corporation to facilitate the rehabilitation and development of an apartment complex for low-income families known as Cypress at Gardere Apartments. Partners for Progress, Incorporated is the sole member of Cypress of Gardere, GP LLC.

2080 Ardenwood, LLC

2080 Ardenwood LLC was created to function as an instrumentality of the Corporation to facilitate the rehabilitation and development of an apartment complex for low-income families known as Ardenwood Apartments. Partners for Progress, Incorporated is the sole member of 2080 Ardenwood, LLC. This entity is a part of the development being developed with the Authority's Choice Neighborhood Implementation Grant monies.

Related Partnerships

Through its wholly owned limited liability companies, the Corporation is the general partner in the following Partnerships (with fiscal year-ends of December 31, 2022). The activity of these partnerships is not included in the financial statements of the Corporation, but is included in the financial statements of the Authority:

NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)

Related Partnerships (Continued)

Partners for Progress Development Company, LLC is the general partner of Brookstown Place Partnership. Partners for Progress Development Company, LLC's economic interest in the partnership is .01%, and was negative ($202) as of December 31, 2022.

Cedar Pointe Development, LLC is the general partner of Cedar Pointe Subdivision Limited Partnership. Cedar Pointe Development, LLC's economic interest in the partnership is .01%, and was negative ($436) as of December 31, 2022.

Wesley Chapel Development, LLC is the general partner of Wesley Chapel Development, LP. Wesley Chapel Development, LLC's economic interest in the partnership is .01%, and was negative ($885) as of December 31, 2022.

Hospital Plaza I, LLC is the general partner of EBRPHA Development 1, LP. Hospital Plaza I, LLC's economic interest in the partnership is .01%, and was negative ($376) as of December 31, 2022.

Colonial Courts I, LLC is the general partner of EBRPHA Development 2, LP. Colonial Courts I, LLC's economic interest in the partnership is .01%, and was negative ($368) as of December 31, 2022.

Roosevelt Terrace, LLC is the general partner of EBRPHA Development 4, LP. Roosevelt Terrace, LLC's economic interest in the partnership is .01%, and was negative ($158) as of December 31, 2022.

River South, LLC is the general partner of River South Development, LP. River South, LLC's economic interest in the partnership is .01%, and was negative ($144) as of December 31, 2022.

Cypress at Gardere, GP LLC is the general partner of Cypress at Gardere, LP. Cypress at Gardere GP, LLC's economic interest in the partnership is .01% and was $(106) as of December 31, 2022.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Corporation uses the accrual basis of accounting in accordance with GAAP. Under this method income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

Use of Estimates

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to the allowances against notes and accounts receivable and allocable shares of developer fees receivable. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

Cash

The Corporation considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

Accounts Receivable

Accounts receivable are carried at the amount considered by management to be collectible. An allowance for doubtful accounts is used for amounts that are not considered collectible.

Prepaid Items

Prepaid items consist of payments made to vendors for services that will benefit future periods.

Assets Held for Sale

Assets Held for Sale consists of land and infrastructure expected to be sold within one year and is valued at the lesser of cost or fair value.

Capital Assets

Equipment items are carried at cost and are depreciated over five years. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed.

Accrued Expenses

Accrued expenses consist of accrued employee payroll and earned leave balance.

Revenue

Sales revenue, construction and developer fees, grant revenues and other miscellaneous operating revenues are reported as operating income. Earnings on bank deposits are reported as nonoperating income.

NOTE 3 CASH DEPOSITS

Custodial Credit Risk - The Corporation's policy is to limit credit risk by adherence to investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk – The Corporation's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The Corporation's cash and cash equivalents consist of cash held in an interest-bearing checking account, totaling $1,216,698 with a book balance of $1,216,698. As of September 30, 2023, $966,698 of the Corporation's bank balances were not collateralized outside of the amounts secured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consists of the following amounts:

Accounts Receivable - Costs	$	95,542
Less: Allowance for Doubtful Accounts		(95,542)
Total Accounts Receivable, Copper Oaks, LLC	$	-

Accounts Receivable - River Lofts	$	144,744
Accounts Receivable - Cypress at Gardere		119,515
Accounts Receivable - Cypress at Asante		31,550
Accounts Receivable - Other Projects		31,895
Accounts Receivable - 2080 Ardendale		131,920
Accounts Receivable - North Blvd.		109,884
Total Accounts Receivable - Other	$	569,508

NOTE 5 NOTES RECEIVABLE AND DEVELOPER FEES

Through the Corporation's wholly owned subsidiary entities (Partners for Progress Development Corporation, LLC; Cedar Pointe Development, LLC; Wesley Chapel Development, LLC; Hospital Plaza I, LLC; Colonial Courts I, LLC; Roosevelt Terrace, LLC; River South, LLC and Cypress at Gardere GP, LLC) the Corporation has earned developer fees from each of the Partnerships for overseeing the construction and development of four apartment complexes and two townhouse communities. During the fiscal year, the Corporation did not receive developer fees from the Partnerships. As of September 30, 2023, the Corporation's estimated share of the outstanding balances of the developer fee receivables due from the applicable partnerships amounted to $506,357. Due to uncertainties regarding collectability, Corporation management has elected to reserve the entire amount of the receivables, and to recognize income as funds are received.

NOTE 5 NOTES RECEIVABLE AND DEVELOPER FEES (CONTINUED)

During fiscal year 2014, the Corporation funded a $500,000 loan to Wesley Chapel Development, LP under a loan agreement dated in September of 2011, to assist with the construction of the Wesley Chapel Apartments complex. The note is secured with a subordinate mortgage on the property and does not bear interest. The loan is payable from the available income and cash flow of the borrower, as stipulated in the Loan Agreement and matures in July of 2044. The outstanding balance of the note was $500,000 as of September 30, 2023.

During fiscal year 2015, the Corporation funded a $480,200 loan to EBRPHA Development 4, LP to assist with the rehabilitation of the Roosevelt Terrace Apartments complex. The nonrecourse note is secured with a subordinate mortgage on the property which has been subsequently assigned to Capital One National Association to secure a related loan issued from the Corporation to Capital One National Association. The loan bears interest at a rate of .25% per annum and is payable from the available income and cash flow of the borrower, as stipulated in the Loan Agreement. The loan matures in September of 2055 and outstanding balance was $480,200 as of September 30, 2023.

In January 2012, the East Baton Rouge Redevelopment Authority (RDA) provided a subordinate mortgage loan in the amount of $500,000 (the RDA Loan) to the EBRPHA Development 2, LP (Autumn Place). The loan has a thirty-year term and will accrue interest at zero (0.00%) percent annually. The loan is evidenced by a mortgage note given by Autumn Place to the Lender and is secured by the RDA Mortgage and other related security documents and financing statements. The loan is non-recourse to Autumn Place and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The loan will be repaid solely from Surplus Cash, to the extent Surplus Cash is generated from the operation of the Project, in the sum of one-third (1/3) of the first $42,000 of Surplus Cash; plus two-thirds (2/3) of any excess over the $42,000 of Surplus Cash. In April of 2021, this loan was reassigned to the Corporation in the amount of $500,000 and shows as a receivable on the statement of net position. $58,328 of this loan was relieved during the fiscal year, resulting in a balance at September 30, 2023 of $441,672.

In January 2012, the East Baton Rouge Redevelopment Authority (RDA) provided a subordinate mortgage loan (the RDA Loan) in the amount of $500,000 to EBRPHA Development 1, Partnership (Willow Creek). The loan has a thirty-year term and will accrue interest at zero (0.00%) percent annually. The loan is evidenced by a mortgage note given by Willow Creek to the Lender and is secured by the RDA Mortgage and other related security documents and financing statements. The loan is non-recourse to Willow Creek and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The loan will be repaid solely from Surplus Cash to the extent Surplus Cash is generated from the operation of the Project, in the sum of one-third (1/3) of the first $42,000 of Surplus Cash; plus, two-thirds (2/3) of any excess over the $42,000 of Surplus Cash. In April of 2021, this loan was reassigned to the Corporation in the amount of $441,672 and shows as a receivable on the statement of net position. $58,328 of this loan was relieved during the fiscal year, resulting in a balance at September 30, 2023 of $441,672.

NOTE 5 NOTES RECEIVABLE AND DEVELOPER FEES (CONTINUED)

In April of 2021, the Corporation loaned a new development, Cypress at Gardere, LP (Cypress) $1,450,000 at closing for the purchase of the property and for future development costs. Cypress has since drawn additional funding, $517,860 of which was drawn in the fiscal year, bringing the total to $4,900,000 outstanding as of September 30, 2023. The total allowable amount to be disbursed to Cypress from the Corporation is $4,900,000 with an interest rate on the unpaid principal balance of 8%, per annum. The principal balance of the note and interest thereon shall be paid annually commencing in 2023 with payments solely from 75% of Surplus Cash (as defined in the Subordination Agreement between Lender and Regions Bank, as fiscal agent), and the principal balance and all accrued, but unpaid interest shall be due and payable on April 22, 2056.

On April 22, 2021, Cypress at Gardere, LP entered into a loan agreement with the Corporation in the amount of $750,000. The loan is secured by the Project, has a simple interest rate of 0.5% per annum, and matures 35 years on April 22, 2056. At maturity, the principal balance and accrued interest is due and payable as a lump sum. As of September 30, 2023 the outstanding principal balance was $750,000.

NOTE 6 CAPITAL ASSETS

A summary of the Corporation's capital asset balances and activity, as of and for the year ended September 30, 2023 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable Capital Assets:				
Land	$ 292,500	$ -	$ -	$ 292,500
Depreciable Capital Assets:				
Furniture and Equipment	15,418	-	-	15,418
Less: Accumulated Depreciation				
Furniture and Equipment	(15,418)	-	-	(15,418)
Total Capital Assets Being Depreciated, Net	-	-	-	-
Capital Assets, Net	$ 292,500	$ -	$ -	$ 292,500

NOTE 7 NOTES PAYABLE

In November of 2011, the Corporation issued a promissory note to Greenwell Land Acquisitions, LLC (GLA, LLC) in the amount of $370,000 to purchase land from GLA, LLC, on which the Subdivision will be developed. GLA, LLC has agreed to forgive the 6% annual interest rate upon extinguishment of the loan. Therefore, Corporation management has not accrued an interest payable balance. The note matured on December 31, 2014 and was written off through accounts receivable and long-term debt in the current fiscal year. The outstanding principal balance on the note as of September 30, 2023 was $-0-.

During fiscal year 2014, the Corporation issued an Affordable Housing Program promissory note to Capital One National Association in the amount of $500,200 to fund a loan the Corporation subsequently made to EBRPHA Development 4, LP, to partially finance the rehabilitation of the Roosevelt Terrace Apartment complex. The note is mortgaged with an assigned security interest in the Roosevelt Terrace Apartments property, matures in September of 2055, and will not bear interest as long as the Affordable Housing Program loan criteria are satisfied. The outstanding principal balance on the loan as of September 30, 2023 was $500,200.

In December 2020, the Corporation received a loan in the amount of $292,500 from Home Bank with an original maturity date and interest rate of December 17, 2023 and 4.95%, respectively, related to the purchase of 2080 Ardenwood. As of March 12, 2024, the loan has been extended through June 17, 2024 with an interest rate of 7%. The loan is payable in full immediately upon demand. If no demand is made, the Corporation will pay this loan in one principal payment on maturity. This loan is collateralized by the property. The outstanding principal balance on the loan as of September 30, 2023 was $292,500.

In April 2021, the Corporation received a loan in the amount of $70,000 from Liberty Bank with an original maturity date of May 16, 2021 and extended maturity date of August 16, 2023. The annual interest rate for this loan is 6.5%. The loan was repaid during the fiscal year. The outstanding principal balance on the loan as of September 30, 2023 was $-0-.

Long-term liability activity for the year ended September 30, 2023, applicable to the Corporation, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Land Acquisition Note Payable	$ 117,125	$ -	$ (117,125)	$ -	$ -
HOME Investment Loan	-	-	-	-	-
Note Payable due to Liberty Bank	61,280	-	(61,280)	-	-
Note Payable to Home Bank	292,500	-	-	292,500	292,500
AHP Loan due to Capital One, National Association	500,200	-	-	500,200	-
Long-Term Liabilities	$ 971,105	$ -	$ (178,405)	$ 792,700	$ 292,500

NOTE 7 NOTES PAYABLE (CONTINUED)

Future projected payments are as follows:

Year Ending September 30,	Principal	Interest	Balance Due
2024	$ 292,500	$ 21,726	$ 314,226
2025	-	1,251	1,251
2026	-	1,251	1,251
2027	-	1,251	1,251
2028	-	1,251	1,251
2055	500,200	1,251	501,451
Total	$ 792,700	$ 27,978	$ 820,678

NOTE 8 DEFERRED COMPENSATION PLAN

The Corporation provides deferred compensation benefits for all of its full-time employees through the State of Louisiana Public Employees Deferred Compensation Plan, a defined contribution plan. The plan is administered by Great West Retirement Services. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after twelve months of continuous service. The Corporation contributes approximately 10.5% of the employee's eligible compensation, while the employees are not required to contribute to the plan. During fiscal year 2023, the Corporation made the required contributions in the amount of $6,849 and the employees contributed $-0-. The Corporation's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately, upon participation in the plan.

NOTE 9 RISK MANAGEMENT

The Corporation is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As a component unit of the Authority, the Corporation is covered by the Authority's insurance policies. The Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. The Corporation, through the Authority, has not had any significant reductions in insurance coverage or any claims not reimbursed. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

NOTE 10 CONCENTRATION OF RISK

The Corporation receives funding from various affiliated partnerships. Many of these funding arrangements are dependent upon the partnerships attaining various cash flow thresholds and other financing sources.

NOTE 11 COMMITMENTS AND CONTINGENCIES

The Corporation is the sole member of Wesley Chapel Development, LLC. Wesley Chapel Development, LLC is the general partner of Wesley Chapel Development, LP. In September 2011, Wesley Chapel Development, LP obtained a loan from the Louisiana Housing Finance Agency (LHFA) for $1,000,000. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. The loan matures in March of 2041. As of December 31, 2022, the principal balance owed on the loan was $1,000,000. Corporation management is anticipating the Partnership to report a balance of $1,000,000 as of September 30, 2023, upon issuance of the Partnership's 2023 financial statements. The Corporation has guaranteed payment of the notes to Home Federal Bank and LHFA. In the event that the partnership defaults, the loans could become a liability of the Corporation. However, the Corporation does not anticipate this occurring.

NOTE 12 INCOME TAXES

The Corporation is exempt from income taxes as a public agency, under Section 501(c)4 of the Internal Revenue Code. As such, only unrelated business income is subject to income tax. The Corporation is not currently under audit nor has the Corporation been contacted by any of these jurisdictions. Based on an evaluation of the Corporation's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the fiscal year-ended September 30, 2023.

NOTE 13 RETATEMENT OF NET POSITION

A prior period adjustment was recorded to correct beginning net position for a notes receivable balance that was previously expensed.

Beginning Net Position at October 1, 2022, As Previously Stated	$	5,484,966
Prior Period Adjustment - Cypress at Gardere AHP Loan		750,000
Beginning Net Position at October 1, 2022, As Restated	$	6,234,966

NOTE 14 RELATED PARTNERSHIPS

Balance Sheets as of December 31, 2022:

	EBRPHA Development 2, LP dba: Autumn Place	Bayou Ridge dba: Wesley Chapel Dev Partnership II, LP	Brookstown Place Partnership, ALPIC	Cedar Pointe Subdivision, L.P.	River South Development, L.P.
Assets					
Current Assets	$ 441,287	$ 802,829	$ 129,363	$ 1,416,809	$ 256,644
Other Assets	49,885	68,242	-	3,812	191,780
Capital Assets	6,109,312	6,905,376	2,889,828	8,411,142	8,533,562
Total Assets	$ 6,600,484	$ 7,776,447	$ 3,019,191	$ 9,831,763	$ 8,981,986
Liabilities					
Current Liabilities	$ 92,450	$ 184,595	$ 51,106	$ 112,533	$ 108,660
Noncurrent Liabilities	4,010,429	3,467,016	1,171,323	2,308,404	4,096,965
Total Liabilities	4,102,879	3,651,611	1,222,429	2,420,937	4,205,625
Partner's Equity					
Total Partner's Equity	2,497,605	4,124,836	1,796,762	7,410,826	4,776,361
Total Liabilities and Partner's Equity	$ 6,600,484	$ 7,776,447	$ 3,019,191	$ 9,831,763	$ 8,981,986

	EBRPHA Development 4, L.P.	EBRPHA Development 1, L.P.	Cypress at Gardere, L.P.	Total
Assets				
Current Assets	$ 376,482	$ 433,720	$ 913,982	$ 4,771,116
Other Assets	17,077	51,459	77,730	459,985
Capital Assets	4,571,288	6,103,634	20,692,327	64,216,469
Total Assets	$ 4,964,847	$ 6,588,813	$ 21,684,039	$ 69,447,570
Liabilities				
Current Liabilities	$ 43,203	$ 97,245	$ 241,498	$ 931,290
Noncurrent Liabilities	1,144,494	4,128,046	20,577,123	40,903,800
Total Liabilities	1,187,697	4,225,291	20,818,621	41,835,090
Partner's Equity				
Total Partner's Equity	3,777,150	2,363,522	865,418	27,612,480
Total Liabilities and Partner's Equity	$ 4,964,847	$ 6,588,813	$ 21,684,039	$ 69,447,570

NOTE 14 RELATED PARTNERSHIPS (CONTINUED)

Statement of Operations for the year ended December 31, 2022:

	EBRPHA Development 2, LP dba: Autumn Place	Bayou Ridge dba: Wesley Chapel Dev Partnership II, LP	Brookstown Place Partnership, ALPIC	Cedar Pointe Subdivision, L.P.	River South Development, L.P.
Operating Revenue					
Tenant Revenue	$ 422,455	$ 554,334	$ 296,356	$ 925,635	$ 489,968
Other Revenue	-	210	-	-	-
Investment Income	1,446	789	73	1,860	98
Total Operating Revenue	423,901	555,333	296,429	927,495	490,066
Operating Expenses					
Administrative	100,200	128,528	63,649	156,986	111,590
Utilities	22,679	49,476	3,948	10,697	20,145
Maintenance	181,997	158,662	88,363	256,718	90,353
Insurance Premiums	73,587	94,351	53,526	123,535	66,164
Other General Expense	6,716	13,260	36,299	61,774	11,258
Interest Expense	111,189	138,805	64,367	175,306	209,599
Depreciation Expense	322,735	287,499	123,956	347,395	318,942
Total Operating Expenses	819,103	870,581	434,108	1,132,411	828,051
Operating Income (Loss)	$ (395,202)	$ (315,248)	$ (137,679)	$ (204,916)	$ (337,985)

	EBRPHA Development 4, L.P.	EBRPHA Development 1, L.P.	Cypress at Gardere, L.P.	Total
Operating Revenue				
Tenant Revenue	$ 258,171	$ 421,587	$ 94,034	$ 3,462,540
Other Revenue	-	-	2,040,389	2,040,599
Investment Income	1,099	1,449	-	6,814
Total Operating Revenue	259,270	423,036	2,134,423	5,509,953
Operating Expenses				
Administrative	106,284	86,017	125,064	878,318
Utilities	33,752	19,614	24,738	185,049
Maintenance	125,565	160,288	24,765	1,086,711
Insurance Premiums	64,265	71,534	108,600	655,562
Other General Expense	4,776	7,539	221,650	363,272
Interest Expense	15,732	116,262	506,791	1,338,051
Depreciation Expense	185,401	328,094	257,397	2,171,419
Total Operating Expenses	535,775	789,348	1,269,005	6,678,382
Operating Income (Loss)	$ (276,505)	$ (366,312)	$ 865,418	$ (1,168,429)

NOTE 15 RELATED PARTY TRANSACTIONS

The Corporation owes the Authority $2,157,289 for operating expenses as of September 30, 2023.

Additionally, as discussed in Note 7, the Authority granted the Corporation $517,860 related to the Cypress at Gardere project in fiscal year 2023.

NOTE 16 ADMINISTRATIVE AND UTILITY EXPENSES

The Corporation had the following administrative and utility expenses.

Administrative Expenses		
Administrative Salaries	$	168,930
Auditing Fees		11,959
Management Fee		40,854
Employee Benefit Contributions		16,472
Other		84,153
Office Expenses		4,525
Travel		1,697
Legal Expense		4,214
Total Administrative Expenses	$	362,235

Utilities		
Electricity	$	1,493
Sewer		108
Gas		146
Water		50
Total Utilities	$	1,797

PARTNERS FOR PROGRESS, INCORPORATED
(A COMPONENT UNIT OF THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH)
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER
YEAR ENDED SEPTEMBER 30, 2023

EXPENDITURE PURPOSE		
Salary	$	-
Benefits - Insurance		-
Benefits - Retirement		-
Car Allowance		-
Per Diem		-
Registration Fees		-
Conference Travel		-
Total Compensation, Benefits, and Other Payments	$	-

Agency Head: Jim Daniels, Chief Executive Officer
Period: October 1, 2022 through September 30, 2023

Basis of Presentation

The above Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of the *Louisiana Revised Statute (R.S.) 24:513A (A)*, as amended by *Act 706 of the 2014 Legislative Session*.

CliftonLarsonAllen LLP
CLAconnect.com

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

Board of Directors
Partners for Progress, Incorporated
Baton Rouge, 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 Partners for Progress, Incorporated (the Corporation), a component unit of The Housing Authority of East Baton Rouge Parish, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated May 30, 2024. Our report included an adverse opinion on the omitted aggregate discretely presented component units as of and for the year ended December 31, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

Board of Directors
Partners for Progress, Incorporated

Report on Compliance and Other Matters

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

The Corporation's Response to Findings

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

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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
May 30, 2024

2023-001

Material Weakness in Internal Control over Financial Reporting

Condition: The Corporation does not have a policy in place to provide reasonable assurance that financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP); therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the organization's internal controls. As part of our audit, material adjustments including the material correction of an error in a prior year were recorded to the financial statements that were not detected by management. During our audit, there were numerous material adjustments, including the correction of an error in the prior year, made to the Partners for Progress balances including:

- Notes Receivable
- Accounts Payable
- Grant Income
- Prepaid Insurance
- Accounts Receivable
- Various Expense Accounts
- Unearned Revenue
- Due to/from EBRPHA

Criteria or specific requirement: The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with GAAP. A good system of internal control contemplates an adequate system for recording and processing adjusting journal entries significant to the financial statements and internally preparing the Corporation's financial statements and accompanying notes to the financial statements.

Effect: The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.

Cause: Failure to properly reconcile general ledger accounts to subsidiary records and posting all transactions and entries prior to the audit. The Corporation has not adopted a policy to provide reasonable assurance that financial statements are prepared in accordance with GAAP; however, management has reviewed and approved the annual financial statements and related notes, as prepared by the audit firm, and has accepted responsibility for those financial statements.

Repeat Finding: This is a repeat of finding 2022-001.

Recommendation: The Corporation should evaluate their financial reporting processes and controls, including the expertise of its internal staff and external consultants, to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with GAAP.

View of responsible officials and planned corrective actions: There is no disagreement with this finding. Finance still experienced turnover and short-staffed. Our newly acquired HR company helped hire a Senior Staff Accountant that started in May 2024. The new CFO was only with the company for the last 3 months of fiscal year, so coupled with learning the makeup of the whole agency and antiquated software, learning curve was slow at first. Finance cut down adjusting entries by fifty but still had to make reclass and adjusting entries to true up accounts. Working with staff to get coding correct from beginning but they have had little to no guidance for over year half.

CliftonLarsonAllen LLP
CLAconnect.com

Board of Commissioners
The Housing Authority of East Baton Rouge Parish
Baton Rouge, Louisiana

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of The Housing Authority of East Baton Rouge Parish (the Authority) as of and for the years ended September 30, 2023 and December 31, 2022, respectively, and have issued our report thereon dated May 30, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our engagement letter dated November 16, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Housing Authority of East Baton Rouge Parish are described in Note 2 to the financial statements.

The entity changed accounting policies related to the accounting for subscription-based technology agreements by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, Subscription-Based Technology Arrangements, in 2023. This standard did not have a material impact on the Authority and no entry was recorded.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

- Management's estimate of the depreciation expense is based on expected useful life of capital assets. We evaluated the methods, assumptions, and data used to develop the depreciation expense and related disclosures in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the allowance for doubtful accounts is based on historical sales, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the methods, assumptions, and data used to develop the allowance and related disclosures in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

The completion of our audit was delayed due to significant turnover at the Authority within the finance and accounting department as communicated to you in the interim communication on delays on March 28, 2024.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Circumstances that affect the form and content of the auditors' report

As previously communicated to you, the report was modified to report a discretely presented component unit, Partners for Progress, Incorporated, recorded a prior period adjustment related to the correction of an error.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated .

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

The following describes findings or issues arising during the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process.

During the audit we identified the following significant risk of material misstatement that has not previously been communicated to you:

- Financial Reporting risk as a result of turnover of Chief Operating Officer, Controller and Senior Accountant in the previous fiscal year.

We have provided a separate communication to you dated May 30, 2024, communicating internal control related matters identified during the audit.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor’s work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor’s work.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated May 30, 2024.

With respect to the financial data schedules, combining schedule of the discretely presented component units and schedule of compensation, benefits and other payments to the Chief Executive Officer (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated May 30, 2024.

* * *

This communication is intended solely for the information and use of the Board of Commissioners and management of The Housing Authority of East Baton Rouge Parish and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
May 30, 2024

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
East Baton Rouge Housing Authority
Housing Authority
Year Ended September 30, 2023

UNCORRECTED MISSTATEMENTS OF AMOUNTS — **Effect of misstatements on:**

Description	Assets	Liabilities	Net Position	Net Expense/Revenue and Change in Net Position
The prepaid register beginning balances did not tie to the trial balance by more than a trivial amount. The reconciling difference was run through current year activity.	-	-		43,358
Capital assets is overstated by amounts that should have been expensed in the prior year.	(57,973)	-	(57,973)	(57,973)
HUD revenue for HCVP did not reconcile between the TB and the HUD disbursement schedules. This variance represents a possible overstatement of HCV revenue.	-	-	(143,056)	(143,056)
HUD revenue for CFP did not reconcile between the TB and the HUD eLOCCS draws. This variance represents a possible understatement of CFP revenue.	-	-	114,226	114,226
Subtotals	(57,973)	-	(86,803)	(43,445)
Income tax effect				
Net current year misstatements (Iron Curtain Method)	(57,973)	-	(86,803)	(43,445)
Net prior year misstatements	-	-		-
Combined current and prior year misstatements (Rollover Method)	$ (57,973)	$ -	$ (86,803)	$ (43,445)
Financial statement totals	34,531,249	3,193,990	31,337,259	3,050,712
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%		0%	-1%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%		0%	-1%

INADEQUATE DISCLOSURES OR UNCORRECTED MISSTATEMENTS OF DISCLOSURES

Description	Amount (If Applicable)
None	

CliftonLarsonAllen LLP
402 S Kentucky Ave #600
Lakeland, FL 33801

This representation letter is provided in connection with your audits of the financial statements of The Housing Authority of East Baton Rouge Parish, which comprise the respective financial position of the business-type activities and the aggregate discretely presented component units as of September 30, 2023 and December 31, 2022 and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of May 30, 2024, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated November 16, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.

8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.

9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

11. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

12. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity's name" during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.

13. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.

14. Agreements to repurchase assets previously sold have been properly disclosed.

15. We have analyzed all lease and subscription-based information technology arrangements contracts and have considered all material embedded leases and subscription based technology agreements contained within other contracts in accordance with U.S. GAAP.

16. We have implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the standard. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.

17. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

18. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.

19. Provision has been made to reduce excess or obsolete inventories to their estimated net realizable value.

20. We believe that all material expenditures that have been deferred to future periods will be recoverable.

Information Provided

1. We have provided you with:

   a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.

   b. Additional information that you have requested from us for the purpose of the audit.

   c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

   d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

   e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.

   f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.

   g. Access to all audit or relevant monitoring reports, if any, received from funding sources.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

   a. Management;

   b. Employees who have significant roles in internal control; or

   c. Others when the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.

7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.

10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

11. We have a process to track the status of audit findings and recommendations.

12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to The Housing Authority of East Baton Rouge Parish, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.

17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

19. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.

20. The financial statements properly classify all funds and activities.

21. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

22. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

23. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

24. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

25. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

26. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

27. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.

28. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

29. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

30. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

31. We acknowledge our responsibility for presenting the financial data schedule and schedule of compensation, benefits and other payments to the chief executive officer (the supplementary

information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

32. As part of your audit, you prepared the draft financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

33. We have evaluated the adequacy and results of the lease accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our lease asset and lease liability (lease schedule) based on the lease information provided by us. We have reviewed our lease contracts and related lease schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the lease schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your lease services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

34. We have evaluated the adequacy and results of the subscription-based information technology arrangement (SBITA) accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our subscription asset and related subscription liability (SBITA schedule) based on the SBITA information provided by us. We have reviewed our SBITA contracts and related SBITA schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the SBITA schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your SBITA services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

35. In regards to the nonattest services performed by you, we have:

    a. Made all management judgments and decisions and assumed all management responsibilities.

b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.

c. Evaluated the adequacy and results of the services performed.

d. Accepted responsibility for the results of the services.

e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

36. With respect to federal award programs:

a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) including requirements relating to preparation of the schedule of expenditures of federal awards.

b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issued the SEFA and the auditors' report thereon.

d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h. We have received no requests from a federal agency to audit one or more specific programs as a major program.

i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.

j. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.

k. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, *Cost Principles State, Local, and Tribal Governments*, and OMB Circular A-102 *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.

l. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

m. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

n. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

o. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.

p. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.

q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

s. We have charged costs to federal awards in accordance with applicable cost principles.

t. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

u. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

v. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

w. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

x. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; fraud notice; information technology disaster recovery/business continuity; prevention of sexual harassment; and other areas (should be customized by entity, as applicable).

2. We acknowledge that we are responsible for establishing and maintaining effective internal control over compliance.

3. For the fiscal period October 1, 2022 through September 30, 2023, we have performed an evaluation of our compliance with the best practices criteria presented in the statewide AUPs.

4. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

5. We have provided you with access to all records that we believe are relevant to the C/C areas and the statewide AUPs.

6. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

7. We have disclosed to you any known noncompliance with laws or regulations affecting the statewide AUPs occurring during the period of October 1, 2022 through September 30, 2023 and between October 1, 2022 and May 30, 2024, including any actual, suspected, or alleged fraud.

8. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between September 30, 2023 and May 30, 2024.

9. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

10. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.

11. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.

12. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.

13. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.

14. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and purchase (P) cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.

15. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.

16. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

17. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

18. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

19. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.

20. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

21. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

22. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

23. We represent that the listing of computers currently in use and their related locations that we provided to you is complete.

24. We are not aware of any material misstatements in the C/C areas identified in the statewide AUPs.

25. We have disclosed to you [list other matters as you have deemed appropriate].

26. We have responded fully to all inquiries made by you during the engagement.

27. We have disclosed to you all known events that have occurred subsequent to September 30, 2023 that would have a material effect on the C/C areas identified in the statewide AUPs, or would require adjustment to or modification of the results of the statewide AUPs.

Signature: ______________________ Title: CEO

Signature: ______________________ Title: ______________________

____

CliftonLarsonAllen LLP
402 S Kentucky Ave #600
Lakeland, FL 33801

This representation letter is provided in connection with your audit of the financial statements of Partners for Progress, Incorporated, which comprises the financial position as of September 30, 2023 and the changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of May 30, 2024, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated November 16, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.

8. We have not identified or been notified of any uncorrected financial statement misstatements. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.

9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

11. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

12. The fact that the amount of “uncollateralized” deposits or “uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity’s name” during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.

13. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.

14. We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with U.S. GAAP.

15. We have implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the standard. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.

16. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

17. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.

18. Provision has been made to reduce excess or obsolete inventories to their estimated net realizable value.

19. We believe that all material expenditures that have been deferred to future periods will be recoverable.

Information Provided

1. We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

    d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

    e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.

    f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.

    g. Access to all audit or relevant monitoring reports, if any, received from funding sources.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

    a. Management;

    b. Employees who have significant roles in internal control; or

    c. Others when the fraud could have a material effect on the financial statements.

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.

7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.

10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

11. We have a process to track the status of audit findings and recommendations.

12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Partners for Progress, Inc. including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.

17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

19. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.

20. The financial statements properly classify all funds and activities.

21. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

22. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

23. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

24. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

25. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

26. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

27. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.

28. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

29. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

30. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and

presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

31. We acknowledge our responsibility for presenting the schedule of compensation, benefits and other payments to the chief executive officer (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

32. As part of your audit, you prepared the draft financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

33. We have evaluated the adequacy and results of the lease accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our lease asset and lease liability (lease schedule) based on the lease information provided by us. We have reviewed our lease contracts and related lease schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the lease schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your lease services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

34. We have evaluated the adequacy and results of the subscription-based information technology arrangement (SBITA) accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our subscription asset and related subscription liability (SBITA schedule) based on the SBITA information provided by us. We have reviewed our SBITA contracts and related SBITA schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the SBITA schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your SBITA services; have made all significant management judgments and decisions; and have assumed all

4731 NORTH BOULEVARD
BATON ROUGE, LOUISIANA 70706

partnerssoutheast.com

management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

35. Expenditures of federal awards were below the $750,000 threshold and we were not required to have an audit in accordance with the Uniform Guidance.

Signature: ______________________________ Title: CEO

Signature: ______________________________ Title: ______________

CliftonLarsonAllen LLP
CLAconnect.com

Board of Commissioners and Management
The Housing Authority of East Baton Rouge Parish
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of the business-type activities and the aggregate discretely presented component units of The Housing Authority of East Baton Rouge Parish (the Authority) as of and for the years ended September 30, 2023 and December 31, 2022, respectively, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control. This report does not include the results of the other auditors' testing of internal control over financial reporting that are reported on separately by those auditors.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below.

BANK RECONCILIATIONS

Bank reconciliations prepared in the fiscal year under audit did not have sign offs from the preparer. Additionally, they were not reviewed by a second individual authorized to review bank reconciliations.

We recommend the Authority implement controls over bank reconciliations.

WEEKLY PAYABLE REPORTS

Weekly payable reports in the fiscal year under audit were not reviewed and approved. This could result in understatement of liabilities or a missed payment.

We recommend management review weekly payable reports to ensure expenses are properly tracked and paid.

CASH DEPOSITS

Cash deposits from collections at the Authority are not reviewed or approved following the deposit batch preparation of deposit. Per the Authority's internal control policies, the Senior Accountant should be reviewing and approving the deposits prepared by the Accounts Receivable Accountant.

We recommend the Authority follow the policies and procedures in place over cash deposits.

UNDER COLLATERALIZED DEPOSITS

During our audit of cash, we noted that Authority and Partners for Progress bank deposits were not fully collateralized at September 30, 2023. Cash for the Authority was unsecured by $609,023 and cash for

Partners for Progress was unsecured by $966,698. This is disclosed in the footnotes to the financial statements.

We recommend the Authority and Partners for Progress to review their collateralization at fiscal year-end to ensure all deposits are secured.

RESIDENT COUNCIL BUDGETS

The Authority does not maintain Resident Council budgets or written agreements between the PHA and the resident council.

We recommend the Authority establish such budgets and agreements as to comply with program requirements.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing. This communication is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority 's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
May 30, 2024