

**HOUSING AUTHORITY OF
BREAUX BRIDGE, LOUISIANA**
Breaux Bridge, Louisiana

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

Year Ended September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Housing Authority of Breaux Bridge.
Breux Bridge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund of the Housing Authority of Breux Bridge, Louisiana as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of Breux Bridge, Louisiana's basic financial statements as listed in the table of contents. In our opinion, the financial statements referred to above present fairly, in all material respects, the respective position of each major fund, of the Housing Authority of Breux Bridge, Louisiana as of and for the year ended September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Also included in Supplementary Information is an Agreed-Upon Procedures report, which reports on an Agreed-Upon Procedures engagement now required by the Louisiana Legislative Auditor. Our opinion is not modified in respect to this matter

Other Matters

Basis for Opinions

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of Breaux Bridge, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Breaux Bridge, Louisiana'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 Housing Authority of Breaux Bridge, Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 5 to 13 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of Breaux Bridge, Louisiana's basic financial statements. The statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award,*) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2023 on our consideration of the Housing Authority of Breaux Bridge, Louisiana'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 Housing Authority of Breaux Bridge, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of Breaux Bridge, Louisiana's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
January 19, 2023

HOUSING AUTHORITY OF BREAUX BRIDGE, LA
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
September 30, 2022

HOUSING AUTHORITY OF BREAUX BRIDGE, LA
Management's Discussion and Analysis (MD&A)
September 30, 2022

The management of Housing of Authority of Breaux Bridge, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2022. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$1,577,515 at the close of the fiscal year ended 2022.
 - Of this amount \$837,590 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts
 - The remainder of \$739,925 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 100% of the total operating expenses of \$736,926 for the fiscal year 2021, which means the Authority might be able to operate about 12 months using the unrestricted assets alone, compared to 11 months in the prior fiscal year
- The Housing Authority's total net position increased by \$120,744, a 8.0% increase from the prior fiscal year 2021. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net position of these funds was accompanied by an increase in unrestricted cash by \$67,011 from fiscal year 2021, primarily due to spending \$93,225 less for operations than Federal funds received from operations; spending \$26,214 more for capital assets than Federal capital grants received; and transferring \$0 of excess cash into investments.
- The Authority spent \$176,692 on buildings and construction in progress during the current fiscal year.
- These changes led to an increase in total assets by \$160,242 and an increase in total liabilities by \$39,499. As related measure of financial health, there are still over \$10 of current assets covering each dollar of total current liabilities, which compares to \$16 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

HOUSING AUTHORITY OF BREAUX BRIDGE, LA
Management’s Discussion and Analysis (MD&A)
September 30, 2022

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority’s finances is, “Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2022?” The statement of net position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that help answers this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, used funds accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority’s financial statements report its net position and changes in net position. One can think of the Housing Authority’s net position – the difference between assets and liabilities – as one way to measure the Authority’s financial health, or financial position. Over time, increases and decreases in the Authority’s net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority’s occupancy level or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority’s annual report consists of financial statements that show combined information about the Housing Authority’s most significant programs:

Public Housing CARES Act Funding	\$ 24,341
Public Housing Capital Fund Program	154,543
Low Rent Public Housing	<u>362,579</u>
Total funding received this current fiscal year	<u>\$ 541,463</u>

The Housing Authority’s auditors provided assurance in their independent auditors’ report with which is this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors’ report carefully to determine the level or assurance provided for each of the other parts of this report.

Reporting the Housing Authority’s Most Significant Funds

The Housing Authority’s financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority’s enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority’s services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

HOUSING AUTHORITY OF BREAUX BRIDGE, LA
Management's Discussion and Analysis (MD&A)
September 30, 2022

FINANCIAL ANALYSIS

The Housing Authority's net position was \$1,577,515 as of September 30, 2022. Of this amount, \$832,425 was invested in capital assets and \$745,090 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position.

HOUSING AUTHORITY OF BREAUX BRIDGE, LA
Management's Discussion and Analysis (MD&A)
September 30, 2022

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
As of September 30, 2022**

	2022	2021
ASSETS		
Current assets	\$ 838,045	\$ 741,349
Assets restricted for Housing Choice Voucher (HCV) program	-	408
Capital assets, net of depreciation	<u>832,425</u>	<u>768,471</u>
Total assets	<u>1,670,470</u>	<u>1,510,228</u>
LIABILITIES		
Current liabilities	85,621	45,615
Non-current liabilities	<u>7,334</u>	<u>7,841</u>
Total liabilities	<u>92,955</u>	<u>53,456</u>
NET POSITION		
Invested in capital assets, net of depreciation	832,425	768,471
Unrestricted net position	<u>745,090</u>	<u>688,301</u>
Total net position	<u>\$ 1,577,515</u>	<u>\$ 1,456,772</u>

The net position of these funds increased by \$120,744, or 8.0%, from those of fiscal year 2021, as explained below. In the narrative that follows, the detail factors causing this change are discussed.

Housing Authority of Breaux Bridge, LA
Management's Discussion and Analysis (MD&A)
September 30, 2022

CONDENSED FINANCIAL STATEMENTS (Continued)

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
Fiscal Year Ended September 30, 2022**

	2022	2021
OPERATING REVENUES		
Tenant revenue	\$ 263,928	\$ 250,598
HUD grants for operations	386,920	413,138
Other tenant revenue	3,060	1,687
Total operating revenues	653,908	665,423
OPERATING EXPENSES		
General	141,817	119,592
Ordinary maintenance and repairs	238,898	197,272
Administrative expenses and management fees	182,939	139,172
Utilities	74,537	59,806
Protective services	420	-
Tenant service	9,918	-
Depreciation	112,738	130,235
Total operating expenses	761,267	646,077
Income (losses) from operations	(107,359)	19,346
NON-OPERATING REVENUES (EXPENSES)		
Interest income	850	671
Other non-tenant revenue	72,709	27,185
Loss on sale of fixed asset	-	500
Total non-operating revenues (expenses)	73,559	28,356
Income (losses) before capital contributions	(33,800)	47,702
CAPITAL CONTRIBUTIONS	154,543	72,020
CHANGES IN NET POSITION	120,743	119,722
NET POSITION - BEGINNING	1,456,772	1,337,050
NET POSITION - ENDING	<u>\$ 1,577,515</u>	<u>\$ 1,456,772</u>

HOUSING AUTHORITY OF BREAUX BRIDGE
Management's Discussion and Analysis (MD&A)
September 30, 2022

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total-operating and non-operating revenues increased \$116,212, or by 15%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Total tenant revenue decreased by \$14,703, or by 6% from that of the prior fiscal year, because occupancy rates increased by 3%, and because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenant's personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total. Finally, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) increased by \$1,373, or by 81%.
- Federal revenues from HUD for operations decreased by \$26,218, or by 6% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance or prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was a decrease in the number of eligible tenants receiving subsidies, so Housing Assistance Grants decreased accordingly, lowering the overall total.
- Federal Capital Funds from HUD increased by \$82,523, or by 115% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2018 through 2022 and submitted a new grant during fiscal year 2022.
- Total other non-operating revenue increased by \$45,524, or by 167% from that of the prior fiscal year, because the Authority received proceeds from casualty insurance claims, which are recorded as other income by the Authority in the year received, and the Authority received some waivers of payments in lieu of taxes (PILOT) from its related City taxing authority.
- Interest income increased by \$179, or by 27% from that of the prior fiscal year, because the Authority spent available cash mostly on capital assets instead of temporary investments.
- Management and other fees increased by \$0, or by 0% from that of prior fiscal year.
- Gains on sales of assets decreased by \$500, or by 100% from that of the prior fiscal year.
- Interest income totaling \$850, did not change significantly from the prior to the current year.

Compared with the prior fiscal year, total operating and non-operating expenses increased \$115,190, or by 18.0%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Depreciation expense decreased by \$17,497, or by 13% from that of the prior fiscal year, because there was an increase in capital assets by \$176,692 due to several major factors:

HOUSING AUTHORITY OF BREAUX BRIDGE
Management's Discussion and Analysis (MD&A)
September 30, 2022

- Maintenance and repairs increased by \$41,627, or by 21% from that of prior fiscal year, due to several major factors: Repair staff wages increased by \$3, or by 0%, and related employee benefit contributions increased by \$4,199, or by 15%. Also, materials used increased by \$5,680, or by 13%, and contract labor costs increased by \$31,745, or by 39%. In addition, extraordinary maintenance increased by \$0, or by \$0 from that of prior fiscal year
- General Expenses increased by \$22,225, or by 19% from that of the prior fiscal year, and payments in lieu of taxes (PILOT) decreased by \$140, or by 1%. PILOT is calculated as a percentage of rent (which increased by 5%) minus utilities (which increased 25%), and therefore changed proportionately to the changes in each of these, primarily because Insurance premiums increased by \$24,972 or by 28%, since property and casualty insurance premiums increased, whereas other general expenses increased by \$0. Bad debts decreased by \$2,314 or by 47%, because these changed roughly proportional to rent, which increased by 5%. Interest expense increased by \$0, because long term debts increased by \$0. Lastly, compensated absences decreased by \$293, or by 4%.
- Administrative Expenses increased by \$43,767, or by 31% from that of the prior fiscal year, due to a combination of offsetting factors. Administrative staff salaries increased by \$28,549, or by 62%, and related employee benefit contributions increased by \$24,246, or by 124%; therefore, total staff salaries and benefit costs increased by 80%. In addition, audit fees increased by \$1,950, or by 18%, accounting fees increased by \$0, management fees paid to outside consultants increased by \$0, legal fees increased by \$0; thus, total outside professional fees decreased by 18%. Finally, staff travel reimbursements decreased by \$5,969, or by 52%, office expenses increased by \$610, or by 2%, but sundry expenses decreased by \$5,619, or by 41%; therefore, other staff administrative expense decreased by 18%.
- Housing Assistance Payments to landlords increased by \$0 from that of the prior fiscal year, because there was an increase in the number of tenants qualifying for subsidy during the year.
- Utilities Expense increased by \$14,730, or by 25% from that of the prior fiscal year, because water cost increased by \$4,994, due to a decrease in consumption of 0% and an increase in rate by 22%, electricity cost increased by \$4,769, due to a decrease in consumption by 0% and an increase in rate by 10%, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$4,968, or by 19%.
- Tenant Services increased by \$9,918, or by 0% from that of the prior fiscal year, due to a combination of factors: staff salaries increased by \$0, and related employee benefit contributions increased by \$0. Relocation costs increased by \$0. Other tenant services increased by \$9,918, or by 0%.
- Casualty losses increased by \$0, or by 0% from that of the prior fiscal year.
- Protective services increased by \$420, or by 0% from that of the prior fiscal year, due to a combination of factors: staff salaries increased by \$0, and related employee benefit contributions increased by \$0. Contract labor increased by \$420, or by 0%. Other protective services cost increased by \$0.
- Dwelling unit rental expense increased by \$0, or by 0% from that of the prior fiscal year.

HOUSING AUTHORITY OF BREAUX BRIDGE
Management’s Discussion and Analysis (MD&A)
September 30, 2022

- Fraud losses increased by \$0 from that of the prior fiscal year.
- Tenant services, totaling \$9,918, did not change significantly from the prior to the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, the Housing Authority had a total cost of \$6,490,325 invested in a broad range of assets and construction in progress from projects funded in 2018 through 2022, listed below. This amount, not including depreciation, represents increases of \$176,692 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

	2022	2021
Land	\$ 83,985	\$ 83,985
Construction in progress	159,709	-
Buildings	5,260,660	5,243,676
Leasehold improvements	787,040	787,041
Furniture and equipment	198,931	198,931
Accumulated depreciation	<u>(5,657,900)</u>	<u>(5,545,162)</u>
Total	<u>\$ 832,425</u>	<u>\$ 768,471</u>

As the end of the 2022 fiscal year, the Authority is still in process of completing HUD grants of \$1,111,511 obtained during 2018 through 2022 fiscal years. A total remainder of \$652,466 will be received and \$645,208 will be spent for completing these projects during the fiscal year 2023

Debt

The Housing Authority owes long term mortgages and notes payable that were used to finance some of the construction, buildings, and equipment listed above. As of September 30, 2022, the Housing Authority owed \$0 on these notes, of which \$0 is due currently for fiscal year 2023.

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NECT YEAR’S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2023 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

HOUSING AUTHORITY OF BREAUX BRIDGE
Management's Discussion and Analysis (MD&A)
September 30, 2022

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have any questions about this report, or wish to request additional financial information, contact Tara A. Gordon, at Housing Authority of Breaux Bridge, LA PO Box 878, Breaux Bridge, LA 70517.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA

Statement of Net Position
September 30, 2022

ASSETS

Current assets

Cash and cash equivalents	\$ 507,398
Investments	225,000
Interest receivable	113
Accounts receivable net	9,092
Prepaid items and other assets	57,815
Inventories	13,466
Restricted assets - cash and cash equivalents	<u>25,161</u>

Total current assets	<u>838,045</u>
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Capital assets, net

Land and other non-depreciated assets	243,694
Other capital assets - net of depreciation	<u>588,731</u>

Total capital assets, net	<u>832,425</u>
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Total assets	<u>\$ 1,670,470</u>
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LIABILITIES

Current liabilities

Accounts payable	\$ 48,910
Unearned income	6,436
Compensated absences payable	5,114
Deposits due others	<u>25,161</u>

Total current liabilities	<u>85,621</u>
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Noncurrent liabilities

Compensated absences payable	<u>7,334</u>
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Total liabilities	<u>92,955</u>
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NET POSITION

Net investment in capital assets	832,425
Unrestricted	<u>745,090</u>

Net position	<u>\$ 1,577,515</u>
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See accompanying notes to financial statements.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA

Statement of Revenues
Expenses and Changes in Fund Net Position
Year Ended September 30, 2022

OPERATING REVENUES	
Dwelling rental	\$ 263,928
Governmental operating grants	386,920
Tenant revenue - other	<u>3,060</u>
Total operating revenues	<u>653,908</u>
OPERATING EXPENSES	
Administration	182,939
Tenant services	9,918
Utilities	74,537
Protective services	420
Ordinary maintenance and operations	238,898
General expenses	141,817
Depreciation	<u>112,738</u>
Total operating expenses	<u>761,267</u>
Income from operations	<u>(107,359)</u>
NON-OPERATING REVENUES	
Interest income	850
Other non-tenant revenue	<u>72,709</u>
Total non-operating revenues	<u>73,559</u>
Income before contributions	(33,800)
CAPITAL CONTRIBUTIONS	<u>154,543</u>
CHANGES IN NET POSITION	120,743
NET POSITION - BEGINNING	<u>1,456,772</u>
NET POSITION - ENDING	<u><u>\$ 1,577,515</u></u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA

Statement of Cash Flows
Year Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 264,802
Other receipts	3,060
Payments to vendors	(434,782)
Payments to employees - net	<u>(199,262)</u>
Net cash provided by operating activities	<u>(366,182)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash provided by non-capital Federal grants	385,847
Cash provided by other sources of income	<u>72,709</u>
Net cash provided by non-capital financing activities	<u>458,556</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and construction of capital assets	(176,692)
Proceeds from capital grants	<u>150,479</u>
Net cash provided (used) by capital and related financing activities	<u>(26,213)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>850</u>
Net cash provided by investing activities	<u>850</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,011
CASH AND CASH EQUIVALENTS	
Beginning of fiscal year	<u>465,548</u>
CASH AND CASH EQUIVALENTS	
End of fiscal year	<u>\$ 532,559</u>

(Continued)

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA

Statement of Cash Flows
Year Ended September 30, 2022

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ (107,359)
Adjustment to reconcile operating to net cash provided by operating activities:	
Cash provided by non-capital Federal grants and other (financing activity)	(386,698)
Depreciation expense	112,738
Change in assets and liabilities and changes in deferred inflows:	
Receivables	(7,759)
Inventories	(9,263)
Prepaid items	(12,255)
Account payables	35,964
Unearned revenue	2,830
Compensated absences	2,299
Deposits due others	<u>3,321</u>
Net cash provided by operations	<u>\$ (366,182)</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Housing Authority of the City of Breaux Bridge have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Breaux Bridge, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 2014	98
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

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

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set both criteria to be considered in determining financial accountability, which includes:

- 1) Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS

The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent Program and the Capital Fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position sheet.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principle ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money marketing accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

On the Statement of Cash Flows, cash and cash equivalents, end of year is \$532,559. This is comprised of cash and cash equivalents of \$507,398 and restricted assets – cash of \$25,161, on the statement of net position.

E. INVESTMENTS

Investments are limited to L.S. – R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contract include time deposits, with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. REVENUE RECOGNITION

Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY

All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

H. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

I. CAPITAL ASSETS

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$2,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and equipment	3-7 years
Computers	3 years

J. UNEARNED INCOME

The Housing Authority reports prepaid revenues in its statement of net position. Prepaid revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for prepaid revenue is removed from the statement of net position and the revenue is recognized.

K. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual sick leave. Employees, except as noted hereafter, may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date. According to terms of her Employment Agreement, the E.D. may accrue a maximum of 600 hours of vacation leave.

L. POST EMPLOYMENT BENEFITS

The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

M. NET POSITION AND FLOW ASSUMPTIONS

Net position is reported as restricted when constraints are placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

N. USE OF ESTIMATES

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

NOTE 2 DEPOSITS AND INVESTMENTS

The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2022. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$25,161 is restricted in the General Fund for security deposits.

At September 30, 2022, the Housing Authority's carrying amount of deposits was \$757,559 and the bank balance was \$760,223, which includes \$225,000 in certificates of deposits classified as investments. Petty cash consists of \$200. \$475,000 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$285,223 was covered by pledged securities. However, this \$285,223 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 ACCOUNTS RECEIVABLE

The receivables at September 30, 2022, are as follows:

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 760
HUD	7,258
Miscellaneous	<u>1,074</u>
Total	<u>\$ 9,092</u>

The tenants account receivables is net of an allowance for doubtful accounts of \$4,438.

NOTE 4 CAPITAL ASSETS

The changes in capital assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets				
Land and buildings	\$ 83,985	\$ -	\$ -	\$ 83,985
Construction in progress	-	159,709	-	159,709
Depreciable assets				
Buildings	6,030,716	16,983	-	6,047,699
Furniture and equipment	<u>198,931</u>	<u>-</u>	<u>-</u>	<u>198,931</u>
Total capital assets	6,313,632	176,692	-	6,490,324
Less: accumulated depreciation				
Buildings	5,384,044	96,124	-	5,480,168
Furniture and equipment	<u>161,117</u>	<u>16,614</u>	<u>-</u>	<u>177,731</u>
Total accumulated depreciation	<u>5,545,161</u>	<u>112,738</u>	<u>-</u>	<u>5,657,899</u>
Total capital assets, net	<u>\$ 768,471</u>	<u>\$ 63,954</u>	<u>\$ -</u>	<u>\$ 832,425</u>

NOTE 5 ACCOUNTS PAYABLE

The payables at September 30, 2022 are as follows:

Vendors	\$ 38,936
Payroll taxes and retirement withheld	2,716
Utilities	<u>7,258</u>
Total	<u>\$ 48,910</u>

NOTE 6 COMPENSATED ABSENCES

At September 30, 2022, employees of the Housing Authority have accumulated and vested \$12,448 of employee leave computed in accordance with GASB, Codification Section C60.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

The following is a summary of the long-term obligation transactions for the year ended September 30, 2022.

	Compensated Absences
Balance beginning	\$ 10,149
Additions - net	2,299
Balance, ending	\$ 12,448
Amounts due in one year	\$ 5,114

NOTE 7 RETIREMENT SYSTEM

The Housing Authority participates in the Housing Agency Retirement Trust (HART), which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan after completing one month of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make a monthly contribution equal to 22.15% of each participant's basic (excludes overtime) compensation. The payment represents a 6% contribution by the employee, and an 8.2% contribution by the Housing Authority. In addition, the PHA contributes an additional 7.65% monthly in lieu of social security.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Agency Retirement Trust (HART) may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$25,623 for the year ended September 30, 2022, of which \$17,719 was paid by the Housing Authority and \$7,904 was paid by employees. No payments were made out of the forfeiture account.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Commitments - On September 10, 2020, the Authority entered into an employment agreement with the Executive Director. The agreement became retroactively effective August 31, 2020 and is for five years. The agreement may be renewed for an additional five years, upon approval

by the Board of Commissioners. However, the agreement may be terminated sooner, by either party.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

The Board must give due notice and follow certain procedures to terminate the Executive Director for cause. In such event, the Executive Director must be paid salary earned through termination, plus accrued annual leave and other benefits.

The Board may also terminate the Executive Director without cause, when in its judgment, such termination is in the best interest of the Authority. In such event the Director is to be paid the remaining salary for the unexpired portion of the five year contract, plus accrued annual leave and other benefits.

Litigation – The Housing Authority is not presently involved in litigation.

NOTE 8 COMMITMENTS AND CONTINGENCIES (Continued)

Grant Disallowances – The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects – There are certain renovation or construction projects in progress at September 30, 2022. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management – The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contacting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, auto, bond, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council, Inc. Group Self Insurance Risk Management Agency risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 9 ECONOMIC DEPENDENCE

The Department of Housing and Urban Development provided \$517,122 to the Housing Authority, which represents approximately 60% of the Housing Authority's total revenue and capital contributions for the year.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 CARES ACT FUNDS

During the fiscal year ending September 30, 2021, HUD obligated \$49,874 in Supplemental Operating Funds to the Housing Authority, pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). As of September 30, 2022, \$49,874 of the CARES Act funding has been drawn down from HUD's Line of Credit Control System (LOCCS).

NOTE 11 SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the statement of net position date through, January 19, 2023, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Housing Authority of Breaux Bridge
Breux Bridge, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of Breaux Bridge, Louisiana, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Breaux Bridge, Louisiana's basic financial statements, and have issued our report thereon dated January 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of Breaux Bridge, Louisiana'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 Housing Authority of Breaux Bridge, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Breaux Bridge, Louisiana'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 as 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 material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and do not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Darnall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
January 19, 2023

Independent Auditor's Report on
Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance;
And Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance

Housing Authority of Breaux Bridge
Breux Bridge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of Breaux Bridge, Louisiana's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of Breaux Bridge, Louisiana's major federal programs for the year ended September 30, 2022. The Housing Authority of Breaux Bridge, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority of Breaux Bridge, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority of Breaux Bridge, Louisiana's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned 29 functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with

a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charge with governance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Housing Authority of Breaux Bridge, Louisiana of each major fund, and the aggregate remaining fund information of the Housing Authority of Breaux Bridge, Louisiana, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of Breaux Bridge, Louisiana's basic financial statements. We issued our report thereon dated January 19, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Darnall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

January 19, 2023

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Schedule of Findings and Questioned Costs
September 30, 2022

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified
2. Internal Control Over Financial Reporting
 - a. Material weakness(es) identified? _____ yes X no
 - b. Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Audit of Federal Awards

1. Internal Control Over Major Programs:
 - a. Material weakness(es) identified? _____ yes X no
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
2. Type of Auditor’s Report Issued on Compliance For Major Programs – Unmodified.
3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200)? _____ yes X no
4. The programs tested as major programs include:

CFDA# 14.850a Low-Income Housing Operating Subsidy
CFDA# 14.850a COVID-19 Low-Income Operating Subsidy
5. Dollar threshold used to distinguish between Type A and Type B Programs as described in the Uniform Guidance (2 CFR 200): \$ 750,000
6. Auditee qualified as low-risk auditee under Uniform Guidance (2 CFR 200)? X yes _____ no
7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
September 30, 2022

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

None

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Corrective Action Plan
Year Ended September 30, 2022

There were no audit findings.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2022

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with Governmental Auditing Standards generally accepted in the United States of America:

There were no prior audit findings

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Statement of Modernization Costs – Uncompleted
Year Ended September 30, 2022

CASH BASIS

	2018 <u>Capital Fund</u>	2019 <u>Capital Fund</u>	2020 <u>Capital Fund</u>	2021 <u>Capital Fund</u>	2022 <u>Capital Fund</u>
Funds approved	\$ 186,709	\$ 194,600	\$ 209,361	\$ 201,621	\$ 269,346
Funds expended	<u>168,123</u>	<u>194,176</u>	<u>54,130</u>	-	-
Excess of funds approved	<u>\$ 18,586</u>	<u>\$ 424</u>	<u>\$ 155,231</u>	<u>\$ 201,621</u>	<u>\$ 269,346</u>
Funds advanced	\$ 168,123	\$ 194,176	\$ 54,130	\$ -	\$ -
Funds expended	<u>168,123</u>	<u>194,176</u>	<u>54,130</u>	-	-
Excess (Deficiency) of funds advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
 Schedule of Compensation, Benefits, and Other Payments
 to Agency Head of Chief Executive Director
 Year Ended September 30, 2022

Tara Gordon, Executive Director

Purpose	Amount
Salary	\$ 61,059
Benefits-insurance	23,580
Benefits - retirement	11,036
Benefits - Life insurance	336
Benefits - Long-term disability	442
Total	\$ 96,453

See accountants' report.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

FEDERAL GRANTOR PROGRAM TITLE	<u>CDFA NO.</u>	<u>PROGRAM EXPENDITURES</u>
U. S. Department of Housing and urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 362,579
COVID-19 Low-Income Housing Operating Subsidy	14.850a	24,341
Capital Fund Program	14.872	<u>154,543</u>
Total United States Department of Housing and Urban Development		<u>\$ 541,463</u>
Total Expenditures of Federal Awards		<u>\$ 541,463</u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of Breaux Bridge, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

	<u>Federal Sources</u>
Enterprise Funds	
Governmental operating grants	\$ 386,920
Capital contributions	154,543
Total	\$ 541,463

NOTE 4 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 5 DE MINIMIS INDIRECT COST RATE

The Housing Authority did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2022

ENTITY WIDE BALANCE SHEET SUMMARY					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	507,398	-	507,398	-	507,398
112 Cash Restricted - Modernization and Development	-	-	-	-	-
113 Cash - Other Restricted	-	-	-	-	-
114 Cash - Tenant Security Deposits	25,161	-	25,161	-	25,161
115 Cash restricted for Payment of Current Liabilities	-	-	-	-	-
100 Total Cash	532,559	-	532,559	-	532,559
121 Accounts Receivable - PHA Projects	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	7,258	-	7,258	-	7,258
125 Accounts Receivable - Miscellaneous	1,074	-	1,074	-	1,074
126 Accounts receivable - Tenants	5,198	-	5,198	-	5,198
126.1 Allowance for Doubtful Accounts - Tenants	(4,438)	-	(4,438)	-	(4,438)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-
129 Accrued Interest Receivable	113	-	113	-	113
120 Total receivables, Net of Allowances for Doubtful Accounts	9,205	-	9,205	-	9,205
131 Investments - Unrestricted	225,000	-	225,000	-	225,000
132 Investments - Restricted	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-
142 Prepaid Expenses and Other Assets	57,815	-	57,815	-	57,815
143 Inventories	14,175	-	14,175	-	14,175
143.1 Allowance for Obsolete Inventories	(709)	-	(709)	-	(709)
144 Inter Program Due From	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-
150 Total Current Assets	838,045	-	838,045	-	838,045
161 Land	83,985	-	83,985	-	83,985
162 Buildings	5,260,660	-	5,260,660	-	5,260,660
163 Furniture, Equipment & Machinery - Dwellings	64,417	-	64,417	-	64,417
164 Furniture, Equipment & Machinery - Administration	134,514	-	134,514	-	134,514
165 Leasehold Improvements	787,040	-	787,040	-	787,040
166 Accumulated Depreciation	(5,657,900)	-	(5,657,900)	-	(5,657,900)
167 Construction in Progress	159,709	-	159,709	-	159,709
168 Infrastructure	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	832,425	-	832,425	-	832,425
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-
172 Notes, Loans & Mortgages Receivable - Non Current - Past due	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-
174 Other Assets	-	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-	-
180 Total Non-Current Assets	832,425	-	832,425	-	832,425
200 Deferred Outflow of Resources	-	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	1,670,470	-	1,670,470	-	1,670,470

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2022

ENTITY WIDE BALANCE SHEET SUMMARY					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
311 Bank Overdraft	-	-	-	-	-
312 Accounts Payable <= 90 Days	31,999	-	31,999	-	31,999
313 Accounts Payable > 90 Days Past Due	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	2,716	-	2,716	-	2,716
322 Accrued Compensated - Absences - Current Portion	5,114	-	5,114	-	5,114
324 Accrued Contingency Liability	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-
331 Accounts Payable - HUD PHS Programs	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-
341 Tenant Security Deposits	25,161	-	25,161	-	25,161
342 Unearned Revenue	6,436	-	6,436	-	6,436
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-
345 Other Current Liabilities	7,258	-	7,258	-	7,258
346 Accrued Liabilities - Other	6,937	-	6,937	-	6,937
347 Inter Program - Due To	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-
310 Total Current Liabilities	85,621	-	85,621	-	85,621
351 Long-term Debt, Net of current - Capital Projects/Mortgage Revenue	-	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-
354 Accrued Compensated Absences - Non Current	7,334	-	7,334	-	7,334
355 Loan Liability - Non Current	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-
350 Total Non-Current Liabilities	7,334	-	7,334	-	7,334
300 Total Liabilities	92,955	-	92,955	-	92,955
400 Deferred Inflow of Resources	-	-	-	-	-
508.4 Net investment in Capital Assets	832,425	-	832,425	-	832,425
511.4 Restricted Net Position	-	-	-	-	-
512.4 Unrestricted Net Position	745,090	-	745,090	-	745,090
513 Total Equity - Net Assets/Position	1,577,515	-	1,577,515	-	1,577,515
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	1,670,470	-	1,670,470	-	1,670,470

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2022

SINGLE PROJECT REVENUE AND EXPENSE			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	263,928	-	263,928
70400 Tenant Revenue	3,060	-	3,060
70500 Total Tenant Revenue	266,988	-	266,988
70600 HUD PHA Operating Grants	362,579	-	362,579
70610 Capital Grants	-	154,543	154,543
70710 Management Fee	-	-	-
70720 Asset Management Fee	-	-	-
70730 Bookkeeping Fee	-	-	-
70740 Front Line Service Fee	-	-	-
70750 Other Fees	-	-	-
70700 Total Fee Revenue	362,579	154,543	517,122
70800 Other Government Grants	-	-	-
71100 Investment Income - Unrestricted	850	-	850
71200 Mortgage Interest Income	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-
71310 Cost of Sale of Assets	-	-	-
71400 Fraud Recovery	-	-	-
71500 Other Revenue	72,709	-	72,709
71600 Gain or Loss on Sale of Capital Assets	-	-	-
72000 Investment Income - Restricted	-	-	-
70000 Total Revenue	703,126	154,543	857,669
91100 Administrative Salaries	68,665	-	68,665
91200 Auditing Fees	12,950	-	12,950
91300 Management Fee	-	-	-
91310 Bookkeeping Fee	-	-	-
91400 Advertising and Marketing	590	-	590
91500 Employee Benefit Contributions - Administrative	43,163	-	43,163
91600 Office Expenses	33,658	-	33,658
91700 Legal Expense	-	-	-
91800 Travel	5,496	-	5,496
91810 Allocated Overhead	-	-	-
91900 Other	7,595	-	7,595
91000 Total Operating - Administrative	172,117	-	172,117
92000 Asset Management Fee	-	-	-
92100 Tenant Services - Salaries	-	-	-
92200 Relocation Costs	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-
92400 Tenant Services - Other	9,918	-	9,918
92500 Total Tenant Services	9,918	-	9,918
93100 Water	28,121	-	28,121
93200 Electricity	14,798	-	14,798
93300 Gas	1,669	-	1,669
93400 Fuel	-	-	-
93500 Labor	-	-	-
93600 Sewer	29,795	-	29,795

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2022

SINGLE PROJECT REVENUE AND EXPENSE

	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities	-	-	-
93800 Other Utilities Expense	-	-	-
93000 Total utilities	74,383	-	74,383
94100 Ordinary Maintenance and Operations - Labor	39,650	-	39,650
94200 Ordinary Maintenance and Operations - Materials and Other	43,319	-	43,319
94300 Ordinary Maintenance and Operations Contracts	110,943	-	110,943
94500 Employee Benefit Contributions - Ordinary Maintenance	31,621	-	31,621
94000 Total Maintenance	225,533	-	225,533
95100 Protective Services - Labor	-	-	-
95200 Protective Services - Other Contract Costs	420	-	420
95300 Protective Services - Other	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-
95000 Total Protective Services	420	-	420
96110 Property Insurance	87,597	-	87,597
96120 Liability Insurance	6,758	-	6,758
96130 Workmen's Compensation	12,527	-	12,527
96140 All Other Insurance	6,664	-	6,664
96100 Total Insurance premiums	113,546	-	113,546
96200 Other General Expenses	-	-	-
96210 Compensated Absences	6,675	-	6,675
96300 Payments in Lieu of Taxes	18,939	-	18,939
96400 Bad Debt - Tenant Rents	2,657	-	2,657
96500 Bad Debt - Mortgages	-	-	-
96600 Bad Debt - Other	-	-	-
96800 Severance Expense	-	-	-
96000 Total Other General Expenses	28,271	-	28,271
96710 Interest of Mortgage (or Bonds) Payable	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	-
96900 Total Operating Expenses	624,188	-	624,188
97000 Excess of Operating Revenue over Operating Expenses	78,938	154,543	233,481
97100 Extraordinary Maintenance	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-
97300 Housing Assistance Payments	-	-	-
97350 HAP Portability-In	-	-	-
97400 Depreciation Expense	112,738	-	112,738
97500 Fraud Losses	-	-	-
97600 Capital Outlays - Government Funds	-	-	-
97700 Debt Principal Payment - Government Funds	-	-	-
97800 Dwelling Units Rent Expense	-	-	-
9000 Total Expenses	736,926	-	736,926

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2022

SINGLE PROJECT REVENUE AND EXPENSE			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	-	-	-
10020 Operating Transfer Out	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-
10040 Operating transfers from/to Component Unit	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-
10060 Proceeds from Property Sales	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-
10093 Transfers between Program and Project - In	-	-	-
10094 Transfers between Project and Program - Out	-	-	-
10100 Total Other Financing Sources (Uses)	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(33,800)	154,543	120,743
11020 Required Annual Debt Principal Payments	-	-	-
11030 Beginning Equity	1,456,772	-	1,456,772
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-
11070 Changes in Unrecognized Pension Transition Liabilities	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-
11090 changes in Allowance for Doubtful Accounts Dwelling Rents	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-
11170 Administrative Fee Equity	-	-	-
11180 Housing Assistance Payments Equity	-	-	-
11190 Unit Months Available	1,168	-	1,168
11210 Number of Unit Months Leased	1,168	-	1,168
11270 Excess Cash	638,373	-	638,373
11610 Land Purchases	-	-	-
11620 Building Purchases	-	154,543	154,543
11630 Furniture & Equipment - Dwelling Purchases	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-
11650 Leasehold Improvements Purchases	-	-	-
11660 Infrastructure Purchases	-	-	-
13510 CFFP Debt Service Payments	-	-	-
13901 Replacement housing Factor Funds	-	-	-

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2022

Entity Wide Revenue and Expense Summary					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	263,928	-	263,928	-	263,928
70400 Tenant Revenue - Other	3,060	-	3,060	-	3,060
70500 Total Tenant Revenue	266,988	-	266,988	-	266,988
70600 HUD PHA Operating Grants	362,579	24,341	386,920	-	386,920
70610 Capital Grants	154,543	-	154,543	-	154,543
70710 Management Fee	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-
70730 Bookkeeping Fee	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-
70750 Other Fees	-	-	-	-	-
70700 Total Fee Revenue	517,122	24,341	541,463	-	541,463
70800 Other Government Grants	-	-	-	-	-
71100 Investment Income - Unrestricted	850	-	850	-	850
712000 Mortgage Interest Income	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-
71500 Other Revenue	72,709	-	72,709	-	72,709
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-
70000 Total Revenue	857,669	24,341	882,010	-	882,010
91100 Administrative Salaries	68,665	6,124	74,789	-	74,789
91200 Auditing Fees	12,950	-	12,950	-	12,950
91300 Management Fee	-	-	-	-	-
91310 Book-keeping Fee	-	-	-	-	-
91400 Advertising and Marketing	590	-	590	-	590
91500 Employee Benefit Contributions - Administrative	43,163	647	43,810	-	43,810
91600 Office Expenses	33,658	4,001	37,659	-	37,659
91700 Legal Expense	-	-	-	-	-
91800 Travel	5,496	-	5,496	-	5,496
91810 Allocated Overhead	-	-	-	-	-
91900 Other	7,595	50	7,645	-	7,645
91000 Total Operating - Administrative	172,117	10,822	182,939	-	182,939
92000 Asset Management Fee	-	-	-	-	-
92100 Tenant Services - Salaries	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-
92400 Tenant Services - Other	9,918	-	9,918	-	9,918
92500 Total Tenant Services	9,918	-	9,918	-	9,918
93100 Water	28,121	-	28,121	-	28,121
93200 Electricity	14,798	-	14,798	-	14,798
93300 Gas	1,669	154	1,823	-	1,823
93400 Fuel	-	-	-	-	-
93500 Labor	-	-	-	-	-
93600 Sewer	29,795	-	29,795	-	29,795

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2022

Entity Wide Revenue and Expense Summary					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-
93000 Total Utilities	74,383	154	74,537	-	74,537
94100 Ordinary Maintenance and Operations - Labor	39,650	4,935	44,585	-	44,585
94200 Ordinary Maintenance and Operations - Materials and Other	43,319	5,324	48,643	-	48,643
94300 Ordinary Maintenance and Operations Contracts	110,943	2,528	113,471	-	113,471
94500 Employee Benefit Contributions - Ordinary Maintenance	31,621	578	32,199	-	32,199
94000 Total Maintenance	225,533	13,365	238,898	-	238,898
95100 Protective Services - Labor	-	-	-	-	-
95200 Protective Services - Other Contract Costs	420	-	420	-	420
95300 Protective Services - Other	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-
95000 Total Protective Services	420	-	420	-	420
96110 Property Insurance	87,597	-	87,597	-	87,597
96120 Liability Insurance	6,758	-	6,758	-	6,758
96130 Workmen's Compensation	12,527	-	12,527	-	12,527
96140 All Other Insurance	6,664	-	6,664	-	6,664
96100 Total Insurance Premiums	113,546	-	113,546	-	113,546
96200 Other General Expenses	-	-	-	-	-
96210 Compensated Absences	6,675	-	6,675	-	6,675
96300 Payments in Lieu of Taxes	18,939	-	18,939	-	18,939
96400 Bad debt - Tenant Rents	2,657	-	2,657	-	2,657
96500 Bad debt - Mortgages	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-
96000 Total Other General Expenses	28,271	-	28,271	-	28,271
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	-	-	-
96900 Total Operating Expenses	624,188	24,341	648,529	-	648,529
97000 Excess of Operating Revenue over Operating Expenses	233,481	-	233,481	-	233,481
97100 Extraordinary Maintenance	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-
97400 Depreciation Expense	112,738	-	112,738	-	112,738
97500 Fraud Losses	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-
90000 Total Expenses	736,926	24,341	761,267	-	761,267

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2022

Entity Wide Revenue and Expense Summary					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
10010 Operating Transfer In	-	-	-	-	-
10020 Operating Transfer Out	-	-	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-
10040 Operating transfers from/to Component Unit	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-
10093 Transfers between Program and Project-In	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-
10100 Total Other Financing Sources (Uses)	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	120,743	-	120,743	-	120,743
11020 required Annual Debt Principal Payments	-	-	-	-	-
11030 Beginning Equity	1,456,772	-	1,456,772	-	1,456,772
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-	-
11090 changes in Allowance for Doubtful Accounts - Dwelling rents	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-
11170 Administrative Fee Equity	-	-	-	-	-
11180 Housing Assistance Payments Equity	-	-	-	-	-
11190 Unit Months Available	1,168	-	1,168	-	1,168
11210 Number of Unit Months Leased	1,168	-	1,168	-	1,168
11270 Excess Cash	638,373	-	638,373	-	638,373
11610 Land Purchases	-	-	-	-	-
11620 Building Purchases	154,543	-	154,543	-	154,543
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-



OTHER LOCATIONS:

Lafayette Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Housing Authority of Breaux Bridge, Louisiana (the "Housing Authority") and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2021 through September 30, 2022. The Housing Authority's management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2021 through September 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
Written policies and procedures were obtained and do address the functions noted above.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
Written policies and procedures were obtained and do address the functions noted above.
 - c) ***Disbursements***, including processing, reviewing, and approving.
Written policies and procedures were obtained and do address the functions noted above.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections

for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and do address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and do address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and do address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Written policies and procedures were obtained and do address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and do address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and do address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This section is not applicable. The Housing Authority does not have any debt service.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and do address the functions noted above with the exception of (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, and (5) timely application of all available system and software patches/updates.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and do address the functions noted above with the exception of (2) annual employee training and (3) annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
Obtained and inspected minutes of the board for the fiscal period noting that the board met at least quarterly in accordance with the Housing Authority's policy.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
Observed that the minutes referenced budget-to-actual comparisons on the general fund and the proprietary fund as required.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
Obtained the prior year audit report, and observed the unassigned fund balance in the general fund noting that the ending balance was positive.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
Bank reconciliations do not include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Compensating control noted: Per review of minutes, the board does review and approve the "Financial Reports" each quarter. These reports do include the bank reconciliations.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

There were no reconciling items noted that were outstanding for more than 12 months from the statement closing date.

Collections (excluding electronic funds transfers)

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

Obtained a listing of deposit sites for the fiscal period, and management provided representation that the listing is complete. Selected all deposit sites as there were less than 5.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Employees responsible for cash collections do not share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Employees responsible for collecting cash are responsible for preparing/making bank deposits, however another employee is responsible for reconciling collection documentation to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Employees responsible for reconciling cash collections to the general ledger are not responsible for collecting cash.

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

Employees who have access to cash are covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
Not applicable as all collections tested were noncash and were checks through the mail.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
Traced supporting documentation to the deposit slip noting no exceptions.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
Traced the deposit slip totals to the actual deposit per the bank statement noting no exceptions.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Observed that the deposits were made within one business day of receipt at the collection location.
 - e) Trace the actual deposit per the bank statement to the general ledger.
Traced the actual deposits per the bank statement to the general ledger noting no exceptions.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the listing is complete. Selected all locations that process payments as there were less than 5.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
 - b) At least two employees are involved in processing and approving payments to vendors.
Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
Observed that the disbursements matched the related original itemized invoice and that supporting documentation indicates that deliverables on the invoice were received by the Housing Authority.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
Observed that the disbursement documentation included evidence of segregation of duties tested.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and the numbers and names of persons who maintained possession of cards, and management provided representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
Requiring such approval would constrain the legal authority of the Executive Director.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
Observed that there were no finance charges or late fees assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted.

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

This section is not applicable. Management asserted that the Housing Authority did not have any travel and travel-related expense reimbursements during the fiscal period.

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Observed that the contracts were not required to be bid in accordance with Louisiana Public Bid Law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law.

Observed that the contracts were approved by the board.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).

There were no contracts amended.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Randomly selected one payment from each of the contracts, and observed that the invoice and payment agreed to the terms and conditions of the contract.

Payroll and Personnel

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

Obtained a listing of employees and officials employed during the fiscal period, and management provided representation that the listing is complete. Selected all employees as there were less than 5, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Observed that all selected employees documented their daily attendance and leave.

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

Observed that supervisors approved the attendance and leave of the selected employees and officials.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Observed that the rate paid to the employees and officials agree to the authorized salary/pay rate found within the personnel file.

- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination

payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Management asserted that there were no employees or officials that received termination payments during the fiscal period.

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

Management provided representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

The employees selected for testing did have documentation to demonstrate that the required ethics training was completed.

- b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No changes were made to the entity's ethics policy during the fiscal year.

Debt Service

This section is not applicable. Management asserted that the Housing Authority did not have any bond/notes and other debt instruments issued during the fiscal period or outstanding at the end of the fiscal period.

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

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

Fraud Notice

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

Management asserted that there were no misappropriations of public funds and assets during the fiscal period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Observed that the Housing Authority has posted on its premises the required notice. The Housing Authority does not have a website.

Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

The employees selected for testing did not have documentation to demonstrate that the required sexual harassment training was completed during the calendar year.

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The Housing Authority does not have a website. Observed that the Housing Authority has its sexual harassment policy in a conspicuous location on their premises.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

There was no annual sexual harassment report filed for the current fiscal period.

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

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

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

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

January 19, 2023