

HOUSING AUTHORITY OF THE CITY OF  
ST. MARTINVILLE, LOUISIANA

REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED MARCH 31, 2023

HOUSING AUTHORITY OF THE CITY OF  
ST. MARTINVILLE, LOUISIANA

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Authority of the City of St. Martinville  
St. Martinville, Louisiana

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the Housing Authority of the City of St. Martinville (the Authority) as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statement as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of March 31, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

#### **Required Supplementary Information**

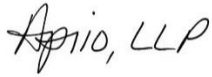
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 6 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplemental Information**

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Statement and Certification of Program Costs, the Schedule of Expenditures of Federal Awards and the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented for the Office of the Louisiana Legislative Auditor's information and is 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 and Certification of Program Costs; Schedule of Expenditures of Federal Awards; Financial Data Schedule; and Schedule of Compensation, Benefits and Other Payments to the Executive Director 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 July 14, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, slightly slanted style.

Birmingham, Alabama  
July 14, 2023

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

Board of Commissioners  
Housing Authority of the City of St. Martinville  
St. Martinville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of St. Martinville (the Authority), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 14, 2023.

### **Report on Internal Control Over Financial Reporting**

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

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

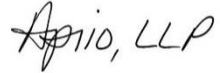
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies*. Given these limitations, during our audit we did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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority'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 not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Aprio, LLP in black ink.

Birmingham, Alabama

July 14, 2023

**HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**FOR THE YEAR ENDED MARCH 31, 2023**

The Housing Authority of the City of St. Martinville's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

***Financial Highlights***

- The Authority's net position decreased \$68,884 during 2023. Net Position was \$1,929,752 and \$1,860,868 for 2022 and 2023, respectively.
  
- Revenues increased \$383,902 during 2023, and were \$933,924 and \$1,317,826 for 2022 and 2023, respectively.
  
- Expenses increased \$358,717 during 2023, and were \$1,027,993 and \$1,386,710 for 2022 and 2023, respectively.



*USING THIS ANNUAL REPORT*

The Report includes three major sections, the “Management’s Discussion and Analysis (MD&A)”, “Basic Financial Statements”, and “Other Required Supplementary Information”:

***MD&A***

*~ MANAGEMENT DISCUSSION  
AND ANALYSIS ~*

***BASIC FINANCIAL STATEMENTS***

*~ AUTHORITY-WIDE FINANCIAL STATEMENTS ~  
~ NOTES TO FINANCIAL STATEMENTS ~*

***OTHER REQUIRED SUPPLEMENTARY INFORMATION***

*~ REQUIRED SUPPLEMENTARY INFORMATION ~  
(OTHER THAN MD&A)*

## Authority-Wide Financial Statements

### **Statement of Net Position**

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format in which assets and deferred outflows of resources, equal liabilities, deferred inflows of resources and “Net Position”, formerly known as net assets. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of “Net Investment in Capital Assets”, or “Restricted Net Position.”

### **Statement of Revenues, Expenses, and Changes in Net Position**

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

### **Statement of Cash Flows**

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

## THE AUTHORITY'S FEDERAL PROGRAMS

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to offer housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

### AUTHORITY-WIDE STATEMENTS

#### Condensed Statement of Net Position

The following table reflects the Condensed Statement of Net Position compared to the prior year.

**TABLE 1**  
**CONDENSED STATEMENT OF NET POSITION**

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 960,255	\$ 1,120,682	\$ (160,427)
Capital Assets	1,081,956	1,087,907	(5,951)
Deferred Outflows of Resources	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>\$ 2,042,211</u></b>	<b><u>\$ 2,208,589</u></b>	<b><u>\$ (166,378)</u></b>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 159,733	\$ 259,265	\$ (99,532)
Non-Current Liability	21,610	19,572	2,038
Deferred Inflows of Resources	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>\$ 181,343</u></b>	<b><u>\$ 278,837</u></b>	<b><u>\$ (97,494)</u></b>
Net Position:			
Net Investment in Capital Assets	\$ 1,081,956	\$ 1,087,907	\$ (5,951)
Unrestricted Net Position	778,912	841,845	(62,933)
<b>Total Net Position</b>	<b><u>\$ 1,860,868</u></b>	<b><u>\$ 1,929,752</u></b>	<b><u>\$ (68,884)</u></b>

#### Major Factors Affecting the Condensed Statement of Net Position

During 2023, current and restricted assets and current liabilities decreased due mainly to the expenditure of restricted insurance proceeds held as of the end of fiscal year 2022. A reduction of unrestricted cash also contributed to the decrease of current and restricted assets. See the Statement of Cash Flows for additional detail regarding cash inflows and outflows.

Table 2 presents details on the change in Unrestricted Net Position

**TABLE 2**

**CHANGE IN UNRESTRICTED NET POSITION**

Unrestricted Net Position, April 1, 2022	\$ 841,845
Results of Operations	(222,135)
Capital Expenditures from Operating Reserves	(17,915)
Interest Income	3,623
Legal Settlement from HUD	157,207
Insurance Proceeds for Hurricane Delta Repairs	151,798
Casualty Losses, Hurricane Delta	(299,910)
Depreciation Expense	<u>164,399</u>
<b>Unrestricted Net Position, March 31, 2023</b>	<b><u><u>\$ 778,912</u></u></b>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer understanding of the change in financial well-being.

**TABLE 3**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The following Schedule compares the revenues and expenses for the current and previous fiscal years.

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Revenues:			
Tenant Rental and Other Revenue	\$ 545,012	\$ 515,782	\$ 29,230
Operating Grants	307,499	378,160	(70,661)
Capital Grants	140,533	22,018	118,515
Interest Income	3,623	1,844	1,779
Gain on Disposition of Capital Assets	-	3,100	(3,100)
Other Revenue	321,159	13,020	308,139
<b>Total Revenues</b>	<b>\$ 1,317,826</b>	<b>\$ 933,924</b>	<b>\$ 383,902</b>
Expenses:			
Administrative Expenses	\$ 271,550	\$ 227,940	\$ 43,610
Tenant Services	-	6,791	(6,791)
Utilities	139,462	128,930	10,532
Maintenance	296,352	319,034	(22,682)
General Expense	215,037	182,520	32,517
Depreciation	164,399	162,778	1,621
Casualty Losses	299,910	-	299,910
<b>Total Expenses</b>	<b>\$ 1,386,710</b>	<b>\$ 1,027,993</b>	<b>\$ 358,717</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>\$ (68,884)</b>	<b>\$ (94,069)</b>	<b>\$ 25,185</b>

**Major Factors Affecting the Schedule of Revenue, Expenses and Changes in Net Position**

Tenant revenues increased due to an increase of tenants' income. Operating grants decreased due to a reduction of subsidies recognized through the Public Housing and CARES Act Programs. Capital grants increased due to an increase of modernization and improvement activity on the dwelling properties. Other revenue increased due to the realization of a legal settlement from HUD (see the Notes to the Financial Statements for additional details), and the recognition of insurance proceeds to fund repair expenditures incurred from Hurricane Delta.

Administrative expenses increased due predominantly to an increase of audit costs incurred. Maintenance expenses decreased moderately due primarily to a reduction of external contracting costs incurred. General expenses increased due mainly to an increase of property insurance costs. Casualty losses consisted of Hurricane Delta clean-up and repair costs incurred.

## Capital Assets

As of year-end, the Authority had approximately \$1.1 million invested in a variety of capital assets as reflected in the following schedule. For additional detail see the Notes to the Financial Statements.

**TABLE 4  
CAPITAL ASSETS AT YEAR-END  
(NET OF DEPRECIATION)**

	<b>2023</b>	<b>2022</b>	<b>Variance</b>	<b>% Change</b>
Land	\$ 79,570	\$ 79,570	\$ -	0%
Buildings and Improvements	6,963,909	6,944,392	19,517	0%
Furniture and Equipment	260,592	260,592	-	0%
Construction in Process	160,949	22,018	138,931	631%
Accumulated Depreciation	(6,383,064)	(6,218,665)	(164,399)	3%
<b>Net Capital Assets</b>	<b>\$ 1,081,956</b>	<b>\$ 1,087,907</b>	<b>\$ (5,951)</b>	<b>-1%</b>

**TABLE 5  
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

<b>Beginning Balance, April 1, 2022</b>	<b>\$ 1,087,907</b>
Additions:	
Construction in Process	138,931
Building Improvements	19,517
Depreciation Expense	(164,399)
<b>Ending Balance, March 31, 2023</b>	<b>\$ 1,081,956</b>

## **ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

## **FINANCIAL CONTACT**

The individual to be contacted regarding this report is the Executive Director. Specific requests may be submitted to The Housing Authority of the City of St. Martinville, PO Box 913, St. Martinville, Louisiana 70582.

**HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE**  
**STATEMENT OF NET POSITION**  
**MARCH 31, 2023**

**ASSETS AND DEFERRED**  
**OUTFLOWS OF RESOURCES**

	<b>Enterprise Fund</b>
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 405,330
Accounts Receivable, Net	65,883
Accrued Interest Receivable	1,210
Investments	470,052
Prepaid Costs	15,013
Inventory	2,767
Total Current Assets	<u>960,255</u>
<u>Capital Assets</u>	
Land	79,570
Buildings and Improvements	6,963,909
Furniture and Equipment	260,592
Construction in Process	160,949
	<u>7,465,020</u>
(Less): Accumulated Depreciation	<u>(6,383,064)</u>
Net Capital Assets	<u>1,081,956</u>
Total Assets	<u>2,042,211</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,042,211</u>

See the accompanying notes to financial statements.



**HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE**  
**STATEMENT OF NET POSITION**  
**MARCH 31, 2023**

**LIABILITIES, DEFERRED INFLOWS OF**  
**RESOURCES AND NET POSITION**

	<b>Enterprise Fund</b>
<u>Current Liabilities</u>	
Accounts Payable	\$ 116,995
Accrued Compensated Absences	9,851
Tenant Security Deposits	30,104
Unearned Revenue	2,783
Total Current Liabilities	<u>159,733</u>
<u>Long Term Liability</u>	
Accrued Compensated Absences	<u>21,610</u>
Total Long Term Liability	<u>21,610</u>
Total Liabilities	<u>181,343</u>
Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>181,343</u>
<u>Net Position</u>	
Net Investment in Capital Assets	1,081,956
Unrestricted Net Position	<u>778,912</u>
Total Net Position	<u>1,860,868</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,042,211</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED MARCH 31, 2023**

	<b>Enterprise Fund</b>
<u>Operating Revenues</u>	
Tenant Rent Revenue	\$ 545,012
Operating Grants	307,499
Other Revenue	12,154
Total Operating Revenues	<u>864,665</u>
<u>Operating Expenses</u>	
Administrative	271,550
Utilities	139,462
Maintenance	296,352
General Expenses	215,037
Depreciation	164,399
Total Operating Expenses	<u>1,086,800</u>
Operating Income (Loss)	<u>(222,135)</u>
<u>Non-Operating Revenues (Expense)</u>	
Interest Income	3,623
Insurance Proceeds - Hurricane Delta	151,798
Casualty Losses - Hurricane Delta	(299,910)
Legal Settlement (HUD)	157,207
Total Non-Operating Revenues (Expense)	<u>12,718</u>
Increase (decrease) before Capital Contributions	<u>(209,417)</u>
Capital Contributions	<u>140,533</u>
Increase (Decrease) in Net Position	(68,884)
Net Position, Beginning	1,929,752
Net Position, Ending	<u>\$ 1,860,868</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2023**

	<b>Enterprise Fund</b>
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 508,862
Cash Received from Operating Grants	303,512
Cash Received from Other Sources	6,041
Cash Payments for Salaries and Benefits	(355,231)
Cash Payments to Vendors and Landlords	<u>(526,832)</u>
Net cash provided (used) by operating activities	<u>(63,648)</u>
<u>Cash flows from non-capital financing activities:</u>	
Legal Settlement Proceeds	<u>157,207</u>
Net cash provided (used) by noncapital financing activities	<u>157,207</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	85,592
Capital Outlay	(103,507)
Casualty Losses, Hurricane Delta	<u>(299,910)</u>
Net cash provided (used) by capital and related financing activities	<u>(317,825)</u>
<u>Cash flows from investing activities:</u>	
Interest Earned from Cash and Investments	2,427
Reinvestment in Certificates of Deposit	<u>(2,216)</u>
Net cash provided (used) by investing activities	<u>211</u>
Net Decrease in Cash and Restricted Cash	(224,055)
Total Cash, Restricted Cash and Cash Equivalents, Beginning of Year	<u>629,385</u>
Total Cash and Cash Equivalents, End of Year	<u><u>\$ 405,330</u></u>

*Continued on next page*

**HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE  
STATEMENT OF CASH FLOWS - CONTINUED  
FOR THE YEAR ENDED MARCH 31, 2023**

	<b>Enterprise Fund</b>
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u></b>	
Operating Income (Loss)	\$ (222,135)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	164,399
Bad Debt Expense	35,187
Change in Accounts Receivable (Tenants)	(32,695)
Change in Accounts Receivable (Grants)	(3,987)
Change in Accounts Receivable (Other)	(4,217)
Change in Prepaid Costs and Inventory	437
Change in Accounts Payable - Operating	2,992
Change in Accrued Personnel Expenses	1,722
Change in Unearned Revenue (Tenants)	(3,455)
Change in Security Deposits Held	(1,896)
Net cash provided (used) by operating activities	<u>\$ (63,648)</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF  
ST. MARTINVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "Enterprise Fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as applicable pronouncements issued by the Financial Accounting Standards Board.

Cash, Cash Equivalents and Investments

The Housing Authority considers cash in checking accounts to be cash equivalents. Cash on hand is not included in calculation of collateral required. Investments consist of certificates of deposit.

Accounts Receivable

Accounts receivable are reported at amounts management expects to collect and consisted of tenant receivables, grant receivables due from HUD and other miscellaneous receivables. See Note G for additional details regarding accounts receivable.

Prepaid Items and Inventory

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

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

#### Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation of assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings and Improvements	25 - 40 years
Furniture and equipment	5 - 10 years

Authority management has assessed the carrying values of capital asset balances as of March 31, 2023, and as of July 14, 2023. No significant capital asset value impairments exist as of the noted dates.

#### PILOT Agreement

The Authority has entered into a Payment-in-Lieu-of-Taxes (PILOT) Agreement with the City of St. Martinville whereby the Authority agreed to pay a negotiated sum in lieu of local real property taxes. During fiscal year 2023 the Authority incurred \$38,894 of PILOT expense, all of which was owed to the City as of March 31, 2023, and is reported in accounts payable on the Statement of Net Position.

#### Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under unearned revenue. As of March 31, 2023, the Authority's unearned revenue balance consisted of tenant rent prepayments of \$2,783.

#### Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of assets by the Authority that is applicable to a future reporting period. Conversely, a deferred inflow of resources is an acquisition of assets by the Authority that is applicable to a future reporting period. As of March 31, 2023, the Authority did not have any deferred outflows or inflows of resources.

#### Revenue Accounting Policies

Dwelling rent income, HUD grants recognized to fund operations and other miscellaneous income are reported as operating income. HUD grants recognized to fund capital assets, interest income and all other revenue is reported as non-operating revenue.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a chartered public corporation under the laws of the State of Louisiana with a Board of Commissioners appointed by the City of St. Martinville. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

### NOTE C - CASH AND INVESTMENTS DEPOSITS

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

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

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally insured investments.

The Housing Authority's cash and cash equivalents consisted of funds held in checking accounts with reconciled balances totaling \$405,200. Investments consisted of six certificates of deposit totaling \$470,052, with varying interest rates and maturity periods, and penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. The remaining \$130 is held in the form of petty cash. Deposits balances held with financial institutions totaled \$881,741 and were secured as follows:

	<b>Bank Deposits</b>
Insured by FDIC	\$ 720,052
Collateralized with specific securities in the Authority's name which are held by a third-party financial institution	161,689
	<b><u>\$ 881,741</u></b>

### NOTE D - CONTRACTUAL COMMITMENTS

The Authority's outstanding contractual commitments, as of March 31, 2023, consisted of the following:

<b><u>Type of Commitment:</u></b>	
Modernizations and Improvements	<b><u>\$ 446,533</u></b>
<b>Total Outstanding Contractual Commitments</b>	<b><u>\$ 446,533</u></b>

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE E - CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

### NOTE F - SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, the realizable value of accounts receivable and earned employee sick leave to be utilized. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

### NOTE G - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following, as of fiscal year-end 2023:

	<u>Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Tenant Rent Receivables	\$ 5,424	\$ (2,836)	\$ 2,588
Fraud Recovery Receivables	16,369	(16,369)	-
Grants Receivable due from HUD	59,078	-	59,078
Health Insurance Reimbursement from Carrier	4,217	-	4,217
Other Miscellaneous Receivables	<u>2,007</u>	<u>(2,007)</u>	<u>-</u>
<b>Total Receivables, Net of Allowances</b>	<b><u><u>\$ 87,095</u></u></b>	<b><u><u>\$ (21,212)</u></u></b>	<b><u><u>\$ 65,883</u></u></b>

### NOTE H - RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage, or any claims not reimbursed.

The Authority incurred property damage from Hurricane Delta in October of 2020. There was no significant structural damage incurred or asset impairments resulting from the storm. The Authority's insurance carrier approved a repair and restoration claim in the amount of \$178,632 to partially fund repair efforts. As of March 31, 2022, the Authority received \$178,632 of the claim proceeds, expended \$26,834 on applicable repairs, and held unexpended proceeds of \$151,798. During fiscal year 2023, the Authority incurred applicable repair costs of \$299,910, and recognized \$151,798 of insurance proceeds to partially fund repair costs.



NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I - DEFINED CONTRIBUTION RETIREMENT PLANS

The Authority provides retirement benefits for all of its eligible full-time employees through a defined contribution plan, known as the Housing Agency Retirement Trust Plan, administered by Mercer. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 8% of the eligible employees' base salaries, and employees are required to contribute 5.5% to the plan. Contributions and allocated investment earnings are fully vested after 5 years of continuous service. During 2023, the Authority made the required contributions in the amount of \$17,391, and there were no significant unpaid pension liabilities outstanding as of March 31, 2023.

NOTE J - ACCRUED COMPENSATED ABSENCES

Housing Authority employees are granted vacation and sick leave in varying amounts depending on tenure with the Authority. In the event of termination, an employee is reimbursed for accumulated vacation leave up to a maximum of 300 hours. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees.

A summary of compensated absences activity and balances as of March 31, 2023, is as follows:

	<u>April 1,</u> <u>2022 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>March 31,</u> <u>2023 Balance</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ 28,570	\$ 17,251	\$ 14,360	\$ 31,461	\$ 15,730
Less: Current portion	(8,998)			(9,851)	
<b>Long Term Liability</b>	<b><u>\$ 19,572</u></b>	<b><u>\$ 17,251</u></b>	<b><u>\$ 14,360</u></b>	<b><u>\$ 21,610</u></b>	<b><u>\$ 15,730</u></b>

Because management cannot reasonably estimate the amount of earned sick leave which will be utilized by employees, the Authority has not accrued all of its earned but unused sick leave liability in its Statement of Net Position. However, management does not anticipate that the amount of unaccrued sick leave earned as of year-end, which will be utilized in subsequent years will be significant to its financial statements.

NOTE K - COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE L – LEGAL SETTLEMENT PROCEEDS

During fiscal year 2023, the federal government's Judgement Fund approved payment of a class action lawsuit settled with the United States Department of Justice (DoJ) for HUD's recapture of 2012 operating subsidy reserves held by various public housing authorities. The Housing Authority of the City of St. Martinville recognized \$157,207 of legal settlement proceeds as a result of the settlement.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M - CAPITAL ASSETS

A summary of capital asset balances as of, and activity for the year ended March 31, 2023, is as follows:

	<b>April 1, 2022</b>			<b>March 31, 2023</b>
	<u>Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u>
Land	\$ 79,570	\$ -	\$ -	\$ 79,570
Construction in Process	22,018	138,931	-	160,949
Total Assets not being depreciated	101,588	138,931	-	240,519
Buildings and Improvements	6,944,392	19,517	-	6,963,909
Furniture and Equipment	260,592	-	-	260,592
Total Capital Assets	7,306,572	158,448	-	7,465,020
Less Accumulated Depreciation				
Buildings and Improvements	(5,978,551)	(155,677)	-	(6,134,228)
Furniture and Equipment	(240,114)	(8,722)	-	(248,836)
<b>Net Book Value</b>	<b>\$ 1,087,907</b>	<b>\$ (5,951)</b>	<b>\$ -</b>	<b>\$ 1,081,956</b>

NOTE N - SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through July 14, 2023, the date the financial statements were available to be issued.

**HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE  
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM  
 FOR THE YEAR ENDED MARCH 31, 2023**

	<b>LA48P04050117</b>
Funds Approved	\$ 126,157
Funds Expended	126,157
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 126,157
Funds Expended	126,157
Excess of Funds Advanced	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF  
ST. MARTINVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED MARCH 31, 2023

**EXPENDITURES**

Public Housing Program	
Total Assistance Listing No. 14.850a	<u>\$ 296,574</u>
Public Housing Capital Fund Program	
Total Assistance Listing No. 14.872	<u>151,458</u>
TOTAL HUD EXPENDITURES	<u>448,032</u>
<b>TOTAL FEDERAL EXPENDITURES</b>	<b><u><u>\$ 448,032</u></u></b>

**NOTE 1 – BASIS OF PRESENTATION**

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended March 31, 2023. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the 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 allowed or are limited as to reimbursement.

**NOTE 3 – INDIRECT COST RATE**

The Authority has elected not to use the 10% *De Minimus Indirect Cost Rate* allowed under the Uniform Guidance.

Housing Auth. of the City of St. Martinville (LA040)  
 SAINT MARTINVILLE, LA  
**Entity Wide Balance Sheet Summary**

Fiscal Year  
 End: 03/31/2023

	Project Total
111 Cash - Unrestricted	\$ 375,226
112 Cash - Restricted - Modernization and Development	-
113 Cash - Other Restricted	-
114 Cash - Tenant Security Deposits	30,104
115 Cash - Restricted for Payment of Current Liabilities	-
<b>100 Total Cash</b>	<b>\$ 405,330</b>
121 Accounts Receivable - PHA Projects	-
122 Accounts Receivable - HUD Other Projects	59,078
124 Accounts Receivable - Other Government	-
125 Accounts Receivable - Miscellaneous	6,224
126 Accounts Receivable - Tenants	5,424
126.1 Allowance for Doubtful Accounts - Tenants	(2,836)
126.2 Allowance for Doubtful Accounts - Other	(2,007)
127 Notes, Loans, & Mortgages Receivable - Current	-
128 Fraud Recovery	16,369
128.1 Allowance for Doubtful Accounts - Fraud	(16,369)
129 Accrued Interest Receivable	1,210
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>\$ 67,093</b>
131 Investments - Unrestricted	470,052
132 Investments - Restricted	-
135 Investments - Restricted for Payment of Current Liability	-
142 Prepaid Expenses and Other Assets	15,013
143 Inventories	2,913
143.1 Allowance for Obsolete Inventories	(146)
144 Inter Program Due From	-
145 Assets Held for Sale	-
<b>150 Total Current Assets</b>	<b>\$ 960,255</b>
161 Land	79,570
162 Buildings	6,123,589
163 Furniture, Equipment & Machinery - Dwellings	126,180
164 Furniture, Equipment & Machinery - Administration	134,412
165 Leasehold Improvements	840,320
166 Accumulated Depreciation	(6,383,064)
167 Construction in Progress	160,949
168 Infrastructure	-
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 1,081,956</b>
171 Notes, Loans and Mortgages Receivable - Non-Current	-
174 Other Assets	-
<b>180 Total Non-Current Assets</b>	<b>\$ 1,081,956</b>

Housing Auth. of the City of St. Martinville (LA040)  
 SAINT MARTINVILLE, LA

**Entity Wide Balance Sheet Summary**

Fiscal Year

End: 03/31/2023

	Project Total
<b>200 Deferred Outflow of Resources</b>	<b>\$ -</b>
<b>290 Total Assets and Deferred Outflow of Resources</b>	<b>\$ 2,042,211</b>
311 Bank Overdraft	-
312 Accounts Payable <= 90 Days	13,227
313 Accounts Payable >90 Days Past Due	-
321 Accrued Wage/Payroll Taxes Payable	-
322 Accrued Compensated Absences - Current Portion	9,851
325 Accrued Interest Payable	-
331 Accounts Payable - HUD PHA Programs	-
332 Account Payable - PHA Projects	-
333 Accounts Payable - Other Government	38,894
341 Tenant Security Deposits	30,104
342 Unearned Revenue	2,783
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-
345 Other Current Liabilities	54,942
346 Accrued Liabilities - Other	9,932
347 Inter Program - Due To	-
348 Loan Liability - Current	-
<b>310 Total Current Liabilities</b>	<b>\$ 159,733</b>
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-
353 Non-current Liabilities - Other	-
354 Accrued Compensated Absences - Non Current	21,610
355 Loan Liability - Non Current	-
357 Accrued Pension and OPEB Liabilities	-
<b>350 Total Non-Current Liabilities</b>	<b>\$ 21,610</b>
<b>300 Total Liabilities</b>	<b>\$ 181,343</b>
<b>400 Deferred Inflow of Resources</b>	<b>\$ -</b>
508.4 Net Investment in Capital Assets	1,081,956
511.4 Restricted Net Position	-
512.4 Unrestricted Net Position	778,912
<b>513 Total Equity - Net Assets / Position</b>	<b>\$ 1,860,868</b>
<b>600 Total Liabilities, Deferred Inflows of Resources and Equity - Net</b>	<b>\$ 2,042,211</b>

Housing Auth. of the City of St. Martinville (LA040)  
 SAINT MARTINVILLE, LA  
**Entity Wide Revenue and Expense Summary**

Fiscal Year  
 End: 03/31/2023

	Project Total
70300 Net Tenant Rental Revenue	\$ 467,773
70400 Tenant Revenue - Other	77,239
<b>70500 Total Tenant Revenue</b>	<b>\$ 545,012</b>
70600 HUD PHA Operating Grants	307,499
70610 Capital Grants	140,533
70710 Management Fee	-
70720 Asset Management Fee	-
70730 Book Keeping Fee	-
70740 Front Line Service Fee	-
70750 Other Fees	-
<b>70700 Total Fee Revenue</b>	<b>\$ 448,032</b>
70800 Other Government Grants	-
71100 Investment Income - Unrestricted	3,623
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	321,159
71600 Gain or Loss on Sale of Capital Assets	-
72000 Investment Income - Restricted	-
<b>70000 Total Revenue</b>	<b>\$ 1,317,826</b>
91100 Administrative Salaries	140,428
91200 Auditing Fees	35,419
91300 Management Fee	-
91310 Book-keeping Fee	-
91400 Advertising and Marketing	197
91500 Employee Benefit contributions - Administrative	56,496
91600 Office Expenses	16,397
91700 Legal Expense	-
91800 Travel	1,500
91810 Allocated Overhead	-
91900 Other	21,113
<b>91000 Total Operating - Administrative</b>	<b>\$ 271,550</b>
<b>92000 Asset Management Fee</b>	<b>\$ -</b>
92100 Tenant Services - Salaries	-
92200 Relocation Costs	-
92300 Employee Benefit Contributions - Tenant Services	-
92400 Tenant Services - Other	-
<b>92500 Total Tenant Services</b>	<b>\$ -</b>

Housing Auth. of the City of St. Martinville (LA040)  
 SAINT MARTINVILLE, LA

**Entity Wide Revenue and Expense Summary**

Fiscal Year

End: 03/31/2023

	Project Total
93100 Water	26,489
93200 Electricity	90,628
93300 Gas	634
93400 Fuel	-
93500 Labor	-
93600 Sewer	21,711
93700 Employee Benefit Contributions - Utilities	-
93800 Other Utilities Expense	-
<b>93000 Total Utilities</b>	<b>\$ 139,462</b>
94100 Ordinary Maintenance and Operations - Labor	108,965
94200 Ordinary Maintenance and Operations - Materials and Other	78,157
94300 Ordinary Maintenance and Operations Contracts	69,667
94500 Employee Benefit Contributions - Ordinary Maintenance	33,813
<b>94000 Total Maintenance</b>	<b>\$ 290,602</b>
95100 Protective Services - Labor	-
95200 Protective Services - Other Contract Costs	-
95300 Protective Services - Other	-
95500 Employee Benefit Contributions - Protective Services	-
<b>95000 Total Protective Services</b>	<b>\$ -</b>
96110 Property Insurance	91,065
96120 Liability Insurance	10,962
96130 Workmen's Compensation	11,767
96140 All Other Insurance	9,431
<b>96100 Total insurance Premiums</b>	<b>\$ 123,225</b>
96200 Other General Expenses	480
96210 Compensated Absences	17,251
96300 Payments in Lieu of Taxes	38,894
96400 Bad debt - Tenant Rents	35,187
96500 Bad debt - Mortgages	-
96600 Bad debt - Other	-
<b>96000 Total Other General Expenses</b>	<b>\$ 91,812</b>
96720 Interest on Notes Payable (Short and Long Term)	-
<b>96700 Total Interest Expense and Amortization Cost</b>	<b>\$ -</b>
<b>96900 Total Operating Expenses</b>	<b>\$ 916,651</b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>\$ 401,175</b>



Housing Auth. of the City of St. Martinville (LA040)  
 SAINT MARTINVILLE, LA

**Entity Wide Revenue and Expense Summary**

Fiscal Year

End: 03/31/2023

	Project Total
97100 Extraordinary Maintenance	5,750
97200 Casualty Losses - Non-capitalized	299,910
97300 Housing Assistance Payments	-
97350 HAP Portability-In	-
97400 Depreciation Expense	164,399
97500 Fraud Losses	-
<b>90000 Total Expenses</b>	<b>\$ 1,386,710</b>
10010 Operating Transfer In	10,925
10020 Operating transfer Out	(10,925)
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	-
<b>10100 Total Other financing Sources (Uses)</b>	<b>\$ -</b>
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>\$ (68,884)</b>
11020 Required Annual Debt Principal Payments	\$ -
<b>11030 Beginning Equity</b>	<b>\$ 1,929,752</b>
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-
11170 Administrative Fee Equity	\$ -
11180 Housing Assistance Payments Equity	\$ -
11190 Unit Months Available	1,488
11210 Number of Unit Months Leased	1,386
11610 Land Purchases	\$ -
11620 Building Purchases	158,448
11640 Furniture & Equipment - Administrative Purchases	-
11650 Leasehold Improvements Purchases	-
13901 Replacement Housing Factor Funds	-

HOUSING AUTHORITY OF THE CITY OF  
ST. MARTINVILLE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

MARCH 31, 2023

**Section I: Summary of Auditors' Results:**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:

Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes  No

Are significant deficiencies that are not considered  
to be material weaknesses identified?

Yes  None  
Reported

Is noncompliance that could have a material effect  
on the financial statements identified?

Yes  No

HOUSING AUTHORITY OF THE CITY OF  
ST. MARTINVILLE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

MARCH 31, 2023

**Section II: Financial Statement Findings:**

**Summary Schedule of Prior Year Findings:**

**Finding 2022-001 – State of Louisiana Audit Deadline Not Met**

Condition

The Authority did not submit its completed audit to the State of Louisiana Legislative Auditor's Office within six months of its year-end.

Current Year Status

The Authority has completed its audit and intends to submit it to the State of Louisiana Legislative Auditor's Office by September 30, 2023. This Finding is not restated.

**Current Year Findings and Questioned Costs:**

None

HOUSING AUTHORITY OF THE CITY OF  
ST. MARTINVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO THE EXECUTIVE DIRECTOR

YEAR ENDED MARCH 31, 2023

**EXPENDITURE PURPOSE**

Salary	<u>\$ 94,435</u>
Benefits - Insurance	<u>21,740</u>
Benefits - Retirement	<u>7,684</u>
Benefits - Other	<u>1,500</u>
Registration Fees	<u>169</u>
<b>Total Compensation, Benefits and Other Payments</b>	<b><u><u>\$ 125,528</u></u></b>

Agency Head: Tisha Moss, Acting Executive Director (February 2023 through March 2023)  
Larry Pratt, Executive Director (Medical Leave)

**NOTE 1 – BASIS OF PRESENTATION**

The above Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of the *Louisiana Revised Statute (R.S.) 24:513A.(3)*, as amended by *Act 706 of the 2014 Legislative Session*.

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Housing Authority of the City of St. Martinville  
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 period of April 1, 2022 through March 31, 2023. The Housing Authority of the City of St. Martinville's (the Authority's) management is responsible for those C/C areas identified in the SAUPs.

The 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 the LLA's SAUP's for the period of April 1, 2022 through March 31, 2023. Additionally, the 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.

See Addendum A following this report for a description of the SAUPs.

The associated results and conclusions are as follows:

### **Written Policies and Procedures**

The Purchasing Policy does not address a vendor list. The Authority does not have a formal Information Technology Disaster Recovery/Business Continuity Policy. Other applicable Written Policies and Procedures business functions outlined in Addendum A (attached) were addressed without exception.

### **Board**

Applicable Board functions outlined in Addendum A (attached) were addressed and adhered to without exception.

### **Bank Reconciliations**

Applicable Bank Reconciliation functions outlined in Addendum A (attached) were addressed and adhered to without exception.

### **Collections**

Applicable Collections functions outlined in Addendum A (attached) were addressed and adhered to without exception.

### **Disbursements**

Disbursements functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

### **Credit Cards**

Applicable Credit Cards functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

**Travel and Expense Reimbursement**

There were no travel related expense reimbursements during the fiscal year. This procedure is not applicable to fiscal year 2023.

**Contracts**

Applicable Contracts functions outlined in Addendum A (attached) were addressed and adhered to without exception.

**Payroll and Personnel**

Applicable Payroll and Personnel functions outlined in Addendum A (attached) were addressed and adhered to without exception.

**Ethics**

Ethics training was not completed by employees. There were no changes to the Ethics Policy or violations reported during fiscal year 2023.

**Debt Service**

The Authority did not enter into any debt agreements during fiscal year 2023 or have any debt outstanding as of March 31, 2023.

**Fraud Notice**

Applicable Fraud Notice functions outlined in Addendum A (attached) were addressed and adhered to without exception.

**Information Technology Disaster Recovery/Business Continuity**

We performed the procedures on the Information Technology Disaster Recovery/Business Continuity functions outlined in Addendum A (attached) and discussed the results with management.

**Sexual Harassment**

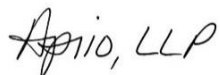
The Authority did not complete an annual Sexual Harassment Report. Sexual Harassment training was not completed by employees. The Sexual Harassment Policy did not appear to be posted.

See Addendum B following this report for the Authority's Corrective Action Plan.

We were engaged by the 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, 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 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 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.



Birmingham, Alabama  
July 14, 2023

# ADDENDUM A

# PROCEDURES

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Report all findings to the following procedures, either after each procedure or after all procedures, within each of the fourteen AUP categories. "Random" selections may be made using Microsoft Excel's random number generator or an alternate method selected by the practitioner that results in an equivalent sample (e.g., those methods allowed under the AICPA Audit Guide - *Audit Sampling*).

## **1) Written Policies and Procedures**

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- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:<sup>1</sup>
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **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.
  - iii. **Disbursements**, including processing, reviewing, and approving.
  - iv. **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).
  - v. **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 rates of pay or approval and maintenance of pay rate schedules.
  - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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<sup>1</sup> For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.



- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics<sup>2</sup>**, 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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

## **2) Board or Finance Committee<sup>3</sup>**

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- A. 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
  - i. 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.

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<sup>2</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

<sup>3</sup> These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds<sup>4</sup>, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds<sup>5</sup> if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. 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.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.<sup>6</sup>

### **3) Bank Reconciliations**

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- A. 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<sup>7</sup> (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:
  - i. 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);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post

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<sup>4</sup>Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

<sup>5</sup>R.S. 24:513 (A)(1)(b)(iv) defines public funds.

<sup>6</sup>No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

<sup>7</sup>Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

- ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

#### **4) Collections (excluding electronic funds transfers)<sup>8</sup>**

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- A. Obtain a listing of deposit sites<sup>9</sup> 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).
- B. For each deposit site selected, obtain a listing of collection locations<sup>10</sup> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also 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; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

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<sup>8</sup> The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

<sup>9</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>10</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

- C. 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 in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
  - i. Observe that receipts are sequentially pre-numbered.<sup>11</sup>
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe that the deposit was made within one business day of receipt<sup>12</sup> 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).
  - v. Trace the actual deposit per the bank statement to the general ledger.

**5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

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- A. 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).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;

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<sup>11</sup> The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

<sup>12</sup> As required by Louisiana Revised Statute 39:1212.

- iii. 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;
- iv. 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; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*

- C. For each location selected under procedure #5A 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
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

## **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card

- numbers and the names of the persons who maintained possession of the cards<sup>13</sup>. Obtain management's representation that the listing is complete.
- B. 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
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection)<sup>14</sup>. 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

## **7) Travel and Travel-Related Expense Reimbursements<sup>15</sup> (excluding card transactions)**

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation

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<sup>13</sup> Including cards used by school staff for either school operations or student activity fund operations.

<sup>14</sup> For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

<sup>15</sup> Non-travel reimbursements are not required to be inspected under this category.

that the listing or general ledger is complete. Randomly select 5 reimbursements and 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

- i. 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](http://www.gsa.gov));
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. 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 Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

## **8) Contracts**

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- A. 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. *Alternatively, 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
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law<sup>16</sup> (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. 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

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<sup>16</sup> If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

- approval is required for any amendment, the documented approval); and
- iv. 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.

## **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials<sup>17</sup> 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials<sup>18</sup> documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. 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.

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<sup>17</sup> "Officials" would include those elected, as well as board members who are appointed.

<sup>18</sup> 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.



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## **10) Ethics<sup>19</sup>**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

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## **11) Debt Service<sup>20</sup>**

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

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## **12) Fraud Notice<sup>21</sup>**

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select

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<sup>19</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

<sup>20</sup> This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

<sup>21</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at [www.la.gov/hotline](http://www.la.gov/hotline)

all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

- B. 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.

### ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

### ***14) Prevention of Sexual Harassment<sup>22</sup>***

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<sup>22</sup> While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. 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).
- C. 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 the report includes the applicable requirements of R.S. 42:344:
  - i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

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Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

## ADDENDUM B

HOUSING AUTHORITY OF THE CITY OF  
ST. MARTINVILLE, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED-UPON PROCEDURES

CORRECTIVE ACTION PLAN

MARCH 31, 2023

**Written Policies and Procedures**

The Authority will update its Purchasing Policy to include a vendor list. The Authority will document and recognize a formal Information Technology Disaster Recovery/Business Continuity Policy.

**Ethics**

Ethics training will be completed by employees.

**Sexual Harassment**

The Authority will complete an annual Sexual Harassment Report. Sexual Harassment training will be completed by employees. The Authority will post the Sexual Harassment Policy.