

HOUSING AUTHORITY
OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED MARCH 31, 2024

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

NEW IBERIA, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the business-type activities (enterprise fund) and the aggregate discretely presented component units of the Housing Authority of the City of New Iberia, Louisiana as of and for the year ended March 31, 2024, and the related notes to the financial statements which collectively comprise the Authority's financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Enterprise Fund	Qualified
Aggregate Discretely Presented Component Units	Unmodified

Qualified Opinion on the Enterprise Fund

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority's enterprise fund as of March 31, 2024, and the 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.

Unmodified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, based on the reports of another auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority's aggregate discretely presented component units as of December 31, 2023, and the 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.

We did not audit the financial statements of Bayou Place Development I, LP and Bayou Place Development II, LP, discretely presented components units of the Authority which represent 100% of the assets and deferred outflows of resources, net position and revenues of the aggregate discretely presented component units. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditor.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Discrete Component Units were not audited in accordance with *Government Auditing Standards*. 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 qualified and unmodified audit opinion.

Matter Giving Rise to Qualified Opinion on the Enterprise Fund

Two of the Authority's three dwelling projects reported in the enterprise fund exhibit evidence that significant impairments may exist to the projects' carrying values. We were unable to obtain sufficient appropriate audit evidence about the carrying values of the Authority's capital assets with respect to the potential impairments and the related depreciation expense charged. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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

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

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

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

Required Supplementary Information

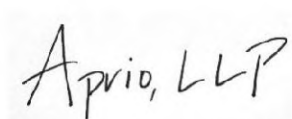
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 6 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying 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 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 August 21, 2024, 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.



Birmingham, Alabama
August 21, 2024



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 New Iberia
New Iberia, 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 New Iberia (the Authority), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 21, 2024. Our report includes a qualified opinion on the financial statements of the enterprise fund due to potential impairments to the carrying values of capital assets. Additionally, our report includes a reference to another auditor who audited the financial statements of Bayou Place Development I, LP and Bayou Place Development II, LP (discretely presented components unit of the Authority), as described in our report on the Authority's financial statements. The financial statements of the Discrete Component Units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Discrete Component Units or that are reported on separately by that auditor who audited the financial statements of the Discrete Component Units.

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 weakness* or *significant deficiencies* may exist that were not identified.

Report on Compliance and Other Matters

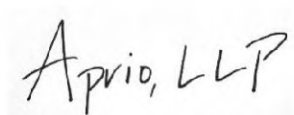
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-001.

The Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

Birmingham, Alabama
August 21, 2024

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

FOR THE YEAR ENDED MARCH 31, 2024

The Housing Authority of the City of New Iberia'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. This MD&A covers only the Authority's Enterprise Fund and does not analyze the financial position or current year's activity of the Discretely Presented Component Units. Separate audit reports have been issued on the financial statements of the Discretely Presented Component Units. The audited financial statements of the Discretely Presented Component Units have been included in the financial statements of the Authority.

Financial Highlights

- The Authority's net position remained relatively stable during fiscal year 2024 compared to fiscal year 2023, at \$2.2 million.
- Revenues decreased \$.1 million during 2024 and were \$1.3 million in fiscal year 2023 and \$1.2 million in fiscal year 2024.
- Expenses remained relatively stable during fiscal year 2024 compared to fiscal year 2023, at \$1.2 million.

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 MAIN PROGRAMS

Significant Programs – The focus of the Authority's Financial Statements should be on the significant programs of the Authority. The following are considered significant programs of the Authority.

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.

Other Reporting Sector – In addition to the significant programs above, the Authority also maintains the following reporting sector:

- Business Activities

AUTHORITY-WIDE STATEMENTS

Condensed Statement of Net Position

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

TABLE 1
CONDENSED STATEMENT OF NET POSITION

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 935,927	\$ 1,078,687	\$ (142,760)
Capital Assets	1,339,320	1,561,581	(222,261)
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 2,275,247</u>	<u>\$ 2,640,268</u>	<u>\$ (365,021)</u>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 71,848	\$ 272,176	\$ (200,328)
Non-current Liabilities	14,282	122,584	(108,302)
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>\$ 86,130</u>	<u>\$ 394,760</u>	<u>\$ (308,630)</u>
Net Position:			
Net Investment in Capital Assets	\$ 1,339,320	\$ 1,561,581	\$ (222,261)
Restricted Net Position	399,408	399,408	-
Unrestricted Net Position	450,389	284,519	165,870
Total Net Position	<u>\$ 2,189,117</u>	<u>\$ 2,245,508</u>	<u>\$ (56,391)</u>

Major Factors Affecting the Condensed Statement of Net Position

During 2024, current and restricted assets decreased due to reductions of investments and receivables. Capital assets decreased due to depreciation exceeding capital expenditures on renovations and improvements. For additional detail see 'Capital Assets' in Tables 4 and 5.

Current and non-current liabilities decreased due to a reduction of accounts payable to vendors and contractors, resulting from management's fiscal year assessment of certain liability accruals and a resulting adjustment to previously reported liabilities based on current circumstances.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, April 1, 2023	\$ 284,519
Results of Operations	(66,868)
Interest Income	439
Depreciation Expense	<u>232,299</u>
Unrestricted Net Position, March 31, 2024	<u><u>\$ 450,389</u></u>

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>2024</u>	<u>2023</u>	<u>Variance</u>
Revenues:			
Tenant Rental and Other Revenue	\$ 176,709	\$ 202,670	\$ (25,961)
Operating Grants	643,389	895,523	(252,134)
Capital Grants	10,038	24,750	(14,712)
Interest Income	439	105	334
Other Revenue	335,817	165,189	170,628
Total Revenues	<u>\$ 1,166,392</u>	<u>\$ 1,288,237</u>	<u>\$ (121,845)</u>
Expenses:			
Administrative	\$ 213,434	\$ 193,263	\$ 20,171
Utilities	110,611	169,773	(59,162)
Maintenance	268,934	239,094	29,840
Protective Services	2,004	2,014	(10)
General	395,501	316,139	79,362
Depreciation	232,299	232,923	(624)
Total Expenses	<u>\$ 1,222,783</u>	<u>\$ 1,153,206</u>	<u>\$ 69,577</u>
Increase (Decrease) in Net Position	<u>\$ (56,391)</u>	<u>\$ 135,031</u>	<u>\$ (191,422)</u>

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

Operating grants decreased due to a reduction of subsidy recognized through the Public Housing Program. Capital grants decreased due to reduced modernization and improvement activity on the Authority's dwelling properties. Other revenue increased due to the fiscal year assessment of certain liability accruals and the resulting liability adjustments and revenue recognitions. See the Notes to the Financial Statements for additional details.

Administrative expenses increased due to increases of salaries and benefits, office supplies and other miscellaneous costs. Utility expenses decreased due to mainly to reduced occupancy. Maintenance expenses increased due to increases of labor and benefits. General expenses increased due to an increase of insurance costs.

CAPITAL ASSETS

As of year-end, the Authority had \$1.3 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$.2 million from the end of fiscal year 2023.

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

	<u>2024</u>	<u>2023</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 222,593	\$ 222,593	\$ -	0%
Buildings and Improvements	14,300,189	14,296,601	3,588	0%
Furniture and Equipment	301,259	325,241	(23,982)	-7%
Construction in Process	25,838	25,838	-	-
Accumulated Depreciation	<u>(13,510,559)</u>	<u>(13,308,692)</u>	<u>(201,867)</u>	<u>2%</u>
Net Capital Assets	<u>\$ 1,339,320</u>	<u>\$ 1,561,581</u>	<u>\$ (222,261)</u>	<u>-14%</u>

TABLE 5
CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, April 1, 2023	\$ 1,561,581
Additions:	
Construction in Process	10,038
Depreciation Expense	<u>(232,299)</u>
Ending Balance, March 31, 2024	<u>\$ 1,339,320</u>

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 New Iberia at 325 North Street, New Iberia, Louisiana 70560.

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF NET POSITION
MARCH 31, 2024**

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

	Enterprise Fund	Discrete Component Units	Total Reporting Entity
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 499,571	\$ 96,346	\$ 595,917
Accounts Receivable, Net	8,817	18,935	27,752
Accrued Interest Receivable	2	-	2
Prepaid Costs	28,129	34,255	62,384
Total Current Assets	<u>536,519</u>	<u>149,536</u>	<u>686,055</u>
<u>Restricted Assets</u>			
Cash and Cash Equivalents	<u>399,408</u>	<u>437,990</u>	<u>837,398</u>
Total Restricted Assets	<u>399,408</u>	<u>437,990</u>	<u>837,398</u>
<u>Capital Assets</u>			
Land	222,593	328,535	551,128
Buildings and Improvements	14,300,189	7,490,957	21,791,146
Furniture and Equipment	301,259	210,571	511,830
Construction in Process	25,838	-	25,838
	<u>14,849,879</u>	<u>8,030,063</u>	<u>22,879,942</u>
(Less): Accumulated Depreciation	(13,510,559)	(3,314,989)	(16,825,548)
Net Capital Assets	<u>1,339,320</u>	<u>4,715,074</u>	<u>6,054,394</u>
<u>Other Assets</u>			
Other Non-current Assets	-	44,288	44,288
Total Other Assets	<u>-</u>	<u>44,288</u>	<u>44,288</u>
Total Assets	<u>2,275,247</u>	<u>5,346,888</u>	<u>7,622,135</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,275,247</u>	<u>\$ 5,346,888</u>	<u>\$ 7,622,135</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF NET POSITION
MARCH 31, 2024**

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

	Enterprise Fund	Discrete Component Units	Total Reporting Entity
<u>Current Liabilities</u>			
Accounts Payable	\$ 23,211	\$ 35,468	\$ 58,679
Accrued Compensated Absences	6,913	-	6,913
Accrued Interest Payable	-	2,957	2,957
Tenant Security Deposits	17,854	4,420	22,274
Unearned Revenue	23,870	1,598	25,468
Current Portion of Capital Debt	-	20,810	20,810
Total Current Liabilities	71,848	65,253	137,101
<u>Non-current Liabilities</u>			
Long Term Capital Debt	-	1,295,870	1,295,870
Accrued Compensated Absences	14,282	-	14,282
Other Non-current Liabilities	-	311,868	311,868
Total Non-current Liabilities	14,282	1,607,738	1,622,020
Total Liabilities	86,130	1,672,991	1,759,121
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	86,130	1,672,991	1,759,121
<u>Net Position</u>			
Net Investment in Capital Assets	1,339,320	3,398,394	4,737,714
Restricted Net Position	399,408	437,990	837,398
Unrestricted Net Position	450,389	(162,487)	287,902
Total Net Position	2,189,117	3,673,897	5,863,014
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,275,247	\$ 5,346,888	\$ 7,622,135

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2024**

	Enterprise Fund	Discrete Component Units	Total Reporting Entity
<u>Operating Revenues</u>			
Tenant Rent Revenue	\$ 176,709	\$ 373,923	\$ 550,632
Operating Grants	643,389	-	643,389
Other Revenue	335,817	-	335,817
Total Operating Revenues	<u>1,155,915</u>	<u>373,923</u>	<u>1,529,838</u>
<u>Operating Expenses</u>			
Administrative	213,434	82,056	295,490
Utilities	110,611	5,357	115,968
Maintenance	268,934	138,647	407,581
Protective Services	2,004	-	2,004
General Expenses	395,501	154,603	550,104
Depreciation	232,299	207,507	439,806
Total Operating Expenses	<u>1,222,783</u>	<u>588,170</u>	<u>1,810,953</u>
Operating Income (Loss)	<u>(66,868)</u>	<u>(214,247)</u>	<u>(281,115)</u>
<u>Non-Operating Revenue (Expense)</u>			
Interest Income	439	3,610	4,049
Interest Expense	-	(43,839)	(43,839)
Total Non-Operating Revenue (Expense)	<u>439</u>	<u>(40,229)</u>	<u>(39,790)</u>
Increase (decrease) before Capital Contributions	<u>(66,429)</u>	<u>(254,476)</u>	<u>(320,905)</u>
Capital Contributions	<u>10,038</u>	<u>-</u>	<u>10,038</u>
Increase (Decrease) in Net Position	<u>(56,391)</u>	<u>(254,476)</u>	<u>(310,867)</u>
Net Position, Beginning	<u>2,245,508</u>	<u>3,928,373</u>	<u>6,173,881</u>
Net Position, Ending	<u>\$ 2,189,117</u>	<u>\$ 3,673,897</u>	<u>\$ 5,863,014</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024**

	Enterprise Fund	Discrete Component Units	Total Reporting Entity
<u>Cash flows from operating activities:</u>			
Cash Received from Dwelling Rent	\$ 168,306	\$ 350,441	\$ 518,747
Cash Received from Operating Grants	679,954	-	679,954
Cash Received from Other Sources	354,823	1,198	356,021
Cash Payments for Salaries and Benefits	(249,637)	(54,752)	(304,389)
Cash Payments to Vendors and Landlords	<u>(1,026,251)</u>	<u>(269,065)</u>	<u>(1,295,316)</u>
Net cash provided (used) by operating activities	<u>(72,805)</u>	<u>27,822</u>	<u>(44,983)</u>
<u>Cash flows from capital and related financing activities:</u>			
Capital Grants Received	10,038	-	10,038
Capital Outlay	(10,038)	-	(10,038)
Principal and Interest Paid on Capital Debt	<u>-</u>	<u>(61,409)</u>	<u>(61,409)</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(61,409)</u>	<u>(61,409)</u>
<u>Cash flows from investing activities:</u>			
Interest Received from Cash and Equivalents	437	3,610	4,047
Transfer from Investments	<u>89,655</u>	<u>-</u>	<u>89,655</u>
Net cash provided (used) by investing activities	<u>90,092</u>	<u>3,610</u>	<u>93,702</u>
Net Decrease in Cash and Restricted Cash	17,287	(29,977)	(12,690)
Total Cash and Restricted Cash, Beginning of Year	<u>881,692</u>	<u>564,313</u>	<u>1,446,005</u>
Total Cash and Restricted Cash, End of Year	<u>\$ 898,979</u>	<u>\$ 534,336</u>	<u>\$ 1,433,315</u>
Reconciliation of cash and restricted cash presented on the Statement of Net Position, to ending cash and restricted cash presented above on the Statement of Cash Flows:			
Cash	\$ 499,571	\$ 96,346	\$ 595,917
Restricted Cash	<u>399,408</u>	<u>437,990</u>	<u>837,398</u>
Cash and Restricted Cash, End of Year	<u>\$ 898,979</u>	<u>\$ 534,336</u>	<u>\$ 1,433,315</u>

Continued on next page

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED MARCH 31, 2024**

	<u>Enterprise Fund</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating Income (Loss)	\$ (66,868)	\$ (214,247)	\$ (281,115)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and Amortization	232,299	212,986	445,285
Bad Debt Expense	25,106	4,296	29,402
Change in Accounts Receivable (Tenants)	(10,850)	(16,784)	(27,634)
Change in Accounts Receivable (Grants)	36,565	-	36,565
Change in Accounts Receivable (Other)	15,149	-	15,149
Change in Prepaid Costs	4,424	(17,886)	(13,462)
Change in Accounts Payable - Operating	(196,256)	64,957	(131,299)
Change in Accounts Payable - Capital	(120,414)	-	(120,414)
Change in Accrued Personnel Expenses	1,736	-	1,736
Change in Unearned Revenue (Tenants)	2,447	(6,698)	(4,251)
Change in Security and Escrow Deposits Held	3,857	1,198	5,055
Net cash provided (used) by operating activities	<u>\$ (72,805)</u>	<u>\$ 27,822</u>	<u>\$ (44,983)</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF
NEW IBERIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

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 and Cash Equivalents

The Housing Authority considers funds held in checking accounts to be cash and certificates of deposit with maturities within three months of fiscal year-end to be cash equivalents.

Accounts Receivable

Accounts receivables are carried at the amount considered by management to be collectible and consisted of tenant, grant and other miscellaneous receivables.

Prepaid Items

Prepaid items consist of payments made to vendors for services 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 on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings and Improvements	15 - 33 years
Furniture and equipment	3 - 7 years

Management has assessed the carrying values of capital asset balances as of March 31, 2024, and as of August 21, 2024. See Note I for a description of potential impairments identified. No other significant capital asset value impairments exist as of the noted dates.

Other Non-current Assets

Other non-current assets prepaid tax credit monitoring fees of \$45,602 amortized using the straight-line method over the tax credit compliance period of 15 years, and prepaid legal costs of \$80,761 amortized using the straight-line method over a period of 18 years. Accumulated amortization on the fees and costs totaled \$83,291 as of December 31, 2023, and amortization expense recognized during 2023, and anticipated each year through 2028, totaled \$5,479. Also included in other non-current assets, are a prepaid utility deposit of \$1,216.

PILOT Agreement

The Authority has entered into a Payment-in-Lieu of Taxes (PILOT) Agreement with the City of New Iberia, whereby the Authority agrees to pay a negotiated sum in lieu of local real property taxes. During fiscal year 2024 the Authority incurred \$6,609 of PILOT expense.

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, 2024, the Authority's unearned revenue balance consisted of tenant rent prepayments of \$2,532 and unexpended grant receipts of \$21,338. The discrete component units' (the Partnerships') unearned revenue balance consisted of tenant rent prepayments.

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, 2024, the Authority did not have any Deferred Outflows or Inflows of Resources.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is reported as non-operating revenue. These financial statements do not contain material inter-program revenues and expenses for internal activity. The policy is to eliminate any material inter-program revenues and expenses for these financial statements.

Cost Allocation

The Authority allocates indirect costs to programs on the basis of one of the following methods: direct salaries and wages, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed, or the allotment stipulated in contractual agreements.

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The Mayor appoints the Board of Commissioners. 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.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity, Statement No. 39: Determining Whether Certain Organizations are Component Units, and Statement No. 61: The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

Based upon the application of these criteria, the reporting entity includes the following component units:

HANI Non-profit Housing, Inc. (the Corporation), a blended component unit, is a not-for-profit corporation organized for the purpose of assisting the Authority in facilitating affordable housing within the New Iberia community. The Board of Directors of the Corporation consists of the Board of Commissioners of the Authority and the Authority manages the operations of the Corporation. The Corporation's fiscal year-end is March 31. The Corporation's financial balances as of and for the fiscal year ended March 31, 2024, which consisted of current assets and net position of \$302, have been incorporated into the Authority's financial statements and reported in the 'Business Activities' column of the supplemental Financial Data Schedule included with this Report. The Corporation does not issue separate stand-alone financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - Continued

Bayou Place Development I, LP (BPD I, LP), a discrete component unit, was organized as a limited partnership to develop, construct, own, maintain and operate a 25-unit housing complex for rental to low-moderate income families known as Bayou Place. The Authority, through the Corporation, is the managing general partner of BPD I, LP. Because BPD I, LP is fiscally dependent on the Authority, and the existence of a financial burden relationship with the Authority, BPD I, LP's financial balances and activity as of and for the year ended December 31, 2023, are presented discretely with financial statements of the Authority. BPD I, LP's financial statements as of and for the year ended December 31, 2023, can be obtained by contacting the Authority at 325 North Street, New Iberia, Louisiana 70560.

Bayou Place Development II, LP (BPD II, LP), a discrete component unit, was organized as a limited partnership to develop, construct, own, maintain and operate a 25-unit housing complex for rental to low-moderate income families known as Bayou Place II. The Authority, through the Corporation, is the managing general partner of BPD II, LP. Because BPD II, LP is fiscally dependent on the Authority, and the existence of a financial burden relationship with the Authority, BPD II, LP's financial balances and activity as of and for the year ended December 31, 2023, are presented discretely with financial statements of the Authority. BPD II, LP's financial statements as of and for the year ended December 31, 2023, can be obtained by contacting the Authority at 325 North Street, New Iberia, Louisiana 70560.

NOTE C - CASH AND CASH EQUIVALENTS

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 consisted of funds held in interest bearing checking accounts with reconciled balances totaling \$808,887. Cash equivalents consisted of certificates of deposit totaling \$90,092. Cash and cash equivalent deposit balances with financial institutions totaled \$904,878 and were secured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$342,534 and collateralized with securities pledged to the Authority in the amount of \$562,344.

The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

Unrestricted and restricted cash balances of the Partnerships' totaled \$534,336 and were secured by the FDIC as of December 31, 2023.

NOTE D - 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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE E – RESTRICTED CASH

The Authority's restricted cash balance of \$399,408 consisted of insurance proceeds restricted for repairs and renovations.

The Partnerships' restricted cash consisted of the following as of December 31, 2023:

Operating reserves	\$ 124,948
Replacement reserves	209,021
Cash held for real estate taxes and insurance	<u>104,021</u>
Total Restricted Cash	<u>\$ 437,990</u>

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, compensated absences to be utilized or paid, the realizable value of receivables and potential losses from contingencies. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE G – 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.

NOTE H – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of March 31, 2024:

	<u>Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Tenant Rent Receivables	\$ 268	\$ -	\$ 268
Grants due from the State	21,338	(21,338)	-
Fiscal Year 2014 Legal Settlement Receivable due from the City	<u>8,549</u>	<u>-</u>	<u>8,549</u>
Total Receivables, Net of Allowances	<u>\$ 30,155</u>	<u>\$ (21,338)</u>	<u>\$ 8,817</u>

The Authority settled a lawsuit with the City of New Iberia during fiscal year 2014. The settlement receivable is reduced each fiscal year by the amount of the PILOT that is incurred and payable to the City.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – CAPITAL ASSETS

The Authority's capital asset balances and activity as of and for the fiscal year ended March 31, 2024, are summarized as follows:

	April 1, 2023		Transfers &	March 31, 2024
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Land	\$ 222,593	\$ -	\$ -	\$ 222,593
Construction in Process	25,838	10,038	(10,038)	25,838
Total Assets not being depreciated	248,431	10,038	(10,038)	248,431
Buildings and Improvements	14,296,601	-	3,588	14,300,189
Furniture and Equipment	325,241	-	(23,982)	301,259
Total Capital Assets	14,870,273	10,038	(30,432)	14,849,879
Less Accumulated Depreciation				
Buildings and Improvements	(12,983,451)	(223,489)	-	(13,206,940)
Furniture and Equipment	(325,241)	(8,810)	30,432	(303,619)
Net Book Value	\$ 1,561,581	\$ (222,261)	\$ -	\$ 1,339,320

The Authority's dwelling properties consist of A.B. Simon Homes with 76 units, Acadian Homes with 94 units and Markham Homes with 30 units. Physical Inspection Reports were completed in April of 2021 for each of the three projects. The Reports for A.B Simon Homes and Acadian Homes concluded that the remaining useful lives of the properties have expired; citing obsolete (plumbing and utility) systems, deferred maintenance, roofing deterioration and hazardous mold. The Reports also concluded that A.B. Simon Homes and Acadian Homes qualify for demolition application under HUD's criteria. Conclusions reached in the Physical Inspection Reports, an upward trend in vacancies and declining rental revenues indicate potential impairments to the carrying values of the majority of the Authority's dwelling units.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – CAPITAL ASSETS - Continued

The Partnerships' capital asset balances as of December 31, 2023, are summarized as follows:

	<u>BPD I, LP</u>	<u>BPD II, LP</u>	<u>TOTAL</u>
Land	\$ 63,858	\$ 264,677	\$ 328,535
Buildings and Improvements	3,332,048	4,158,909	7,490,957
Furniture and Equipment	95,106	115,465	210,571
Less: Accumulated Depreciation	<u>(1,472,130)</u>	<u>(1,842,859)</u>	<u>(3,314,989)</u>
Total Capital Assets	<u>\$ 2,018,882</u>	<u>\$ 2,696,192</u>	<u>\$ 4,715,074</u>

The Partnerships' capital asset activity for the year ended December 31, 2023, is summarized as follows:

	<u>January 1, 2023</u> <u>Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>December 31, 2023</u> <u>Balance</u>
Land	\$ 328,535	\$ -	\$ -	\$ 328,535
Total Assets not being Depreciated	328,535	-	-	328,535
Buildings and Improvements	7,490,957	-	-	7,490,957
Furniture and Equipment	<u>210,571</u>	<u>-</u>	<u>-</u>	<u>210,571</u>
Total Capital Assets	8,030,063	-	-	8,030,063
Less Accumulated Depreciation	<u>(3,107,482)</u>	<u>(207,507)</u>	<u>-</u>	<u>(3,314,989)</u>
Net Book Value	<u>\$ 4,922,581</u>	<u>\$ (207,507)</u>	<u>\$ -</u>	<u>\$ 4,715,074</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE J – FEES RECEIVABLE FROM THE PARTNERSHIPS

A summary of the Authority’s fees receivable from the Partnerships as of March 31, 2024, is as follows:

Due from Bayou Place Development I, LP			
Developer Fee Receivable	\$	322,673	
Management Fee Receivable		124,613	
Allowance for Doubtful Accounts		(447,286)	-
			<hr/>
Due from Bayou Place Development II, LP			
Developer Fee Receivable		415,881	
Management Fee Receivable		119,033	
Allowance for Doubtful Accounts		(534,914)	-
			<hr/>
Fees Receivable, Net of Allowances			\$ -
			<hr/> <hr/>

Due to uncertainties regarding the collectability of the fees receivable from the Partnerships, management has recorded an allowance against each of the receivables. See Note L (below) for additional detail regarding the fees receivable.

NOTE K – DEFINED CONTRIBUTION RETIREMENT PLAN

The Authority provides retirement benefits for all of its eligible employees through participation in the Housing Renewal and Local Agency Retirement Plan (the Plan), a defined contribution retirement plan. The Plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. All of the Authority’s full-time employees are eligible to participate in the Plan from the first anniversary date of employment. Each participant in the Plan is required to make monthly contributions equal to 5.5% of their effective compensation. The employer is required to make monthly contributions equal to 7.5% of each participant’s effective compensation. The Authority’s contributions and investment income allocated to each participant’s individual account become fully vested after five years of continuous service. The Authority’s contributions and investment income allocated to each participant’s account are forfeited by employees who leave employment prior to five years of continuous service and are used to off-set future required contributions of the Authority.

During fiscal year 2024, employees contributed \$4,877 and the Authority made the required contributions in the amount of \$6,618. There were no significant unpaid retirement liabilities outstanding as of March 31, 2024.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – NON-CURRENT LIABILITIES

Employees earn vacation and sick time annually, in accordance with Louisiana Civil Service regulations. Employees may accumulate and carry-over up to three hundred hours of annual leave. The Authority's leave liability accrual is divided and reported between current and non-current liabilities in the Statement of Net Position and is summarized as of March 31, 2024, as follows:

	<u>April 1,</u> <u>2023 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>March 31,</u> <u>2024 Balance</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ 19,459	\$ 2,610	\$ 874	\$ 21,195	\$ 6,913
Non-current Vendor Payables	110,414	-	110,414	-	-
Less: Current portion	<u>(7,289)</u>			<u>(6,913)</u>	
Non-current Liabilities	<u>\$ 122,584</u>			<u>\$ 14,282</u>	

Mortgage Payable (BPDI, LP)

In January of 2010, BPDI, LP obtained a non-recourse mortgage loan from Pacific Life Insurance in the amount of \$422,297 to finance the Bayou Place housing complex. The loan is collateralized by the applicable dwelling property and bears interest at 6.91%. The loan requires monthly principal and interest payments of \$2,784 with a balloon payment due upon maturity in February of 2028. Interest expense incurred on the loan during 2023 was \$22,788 and the outstanding principal balance as of December 31, 2023, was \$324,772. Future projected debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Principal</u> <u>Balance Due</u>
2024	11,321	22,088	313,451
2025	12,128	21,280	301,323
2026	12,993	20,415	288,330
2027	13,920	19,488	274,410
2028	<u>274,410</u>	<u>3,154</u>	<u>-</u>
	<u>\$ 324,772</u>	<u>\$ 86,425</u>	<u>\$ -</u>

The principal balance of the loan reported in the Statement of Net Position is reduced by debt issuance costs, net of accumulated amortization, of \$9,424 as of December 31, 2023. Amortization expense incurred during 2023 on the applicable debt issuance costs of \$969 was added to interest expense reported in the Statement of Revenues, Expenses and Changes in Net Position.

Developer Fee (BPDI, LP)

In exchange for construction oversight services provided by the Authority during the development of Bayou Place, the Partnership entered into a Development Services Agreement with the Authority in the amount of \$410,000. No developer fees were paid to the Authority during 2023. The outstanding developer fee payable to the Authority from BPDI, LP as of December 31, 2023, was \$322,673.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – NON-CURRENT LIABILITES - Continued

Partnership Management Fee (BPD I, LP)

During 2023, the Partnership incurred management fees payable to the Authority (through the Corporation) of \$10,135. Outstanding management fees payable to the Authority (through the Corporation) were \$124,613 as of December 31, 2023.

Mortgage Payable (BPD II, LP)

In January of 2010, BPD II, LP obtained a non-recourse mortgage loan from Pacific Life Insurance in the amount of \$353,943 to finance the Bayou Place II housing complex. The loan is collateralized by the applicable dwelling property and bears interest at 6.91%. The loan requires monthly principal and interest payments of \$2,333 with a balloon payment due upon maturity in February of 2028. Interest expense incurred on the loan during 2023 was \$19,114 and the outstanding principal balance as of December 31, 2023, was \$272,202. Future projected debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Principal Balance Due</u>
2024	9,489	18,513	262,713
2025	10,160	17,836	252,553
2026	10,884	17,112	241,669
2027	11,661	16,335	230,008
2028	230,008	2,648	-
	<u>\$ 272,202</u>	<u>\$ 72,444</u>	<u>\$ -</u>

The principal balance of the loan reported in the Statement of Net Position is reduced by debt issuance costs, net of accumulated amortization, of \$9,424 as of December 31, 2023. Amortization expense incurred during 2023 on the applicable debt issuance costs of \$968 was added to interest expense reported in the Statement of Revenues, Expenses and Changes in Net Position.

Developer Fee (BPD II, LP)

In exchange for construction oversight services provided by the Authority during the development of Bayou Place II, the Partnership entered into a Development Services Agreement with the Authority in the amount of \$600,000. No developer fees were paid to the Authority during 2023. The outstanding developer fee payable to the Authority from BPD I, LP as of December 31, 2023, was \$415,881.

Partnership Management Fee (BPD II, LP)

During 2023, the Partnership incurred management fees payable to the Authority (through the Corporation) of \$9,680. Outstanding management fees payable to the Authority (through the Corporation) were \$119,033 as of December 31, 2023.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – NON-CURRENT LIABILITES - Continued

A summary of the Partnerships' liabilities detailed above and other long-term liabilities as of December 31, 2023, is as follows:

	<u>January 1,</u> <u>2023 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31,</u> <u>2023 Balance</u>	<u>Due Within</u> <u>One Year</u>
Permanent Mortgages Payable	\$ 595,614	\$ -	\$ 17,488	\$ 578,126	\$ 20,810
Developer Fees Payable to the Authority	738,554	-	-	738,554	-
Partnership Management Fee Payable to the Authority	223,831	19,815	-	243,646	-
Asset Management Fee Payable	58,548	9,674	-	68,222	-
Less: Current portion	<u>(19,424)</u>			<u>(20,810)</u>	
Non-current Liabilities	<u>\$ 1,597,123</u>			<u>\$ 1,607,738</u>	<u>\$ 20,810</u>

NOTE M - CONTRACTUAL COMMITMENTS

The Authority's outstanding contractual commitments as of March 31, 2024, were as follows:

Type of Commitment:

Modernization and Improvements	<u>\$ 342,250</u>
Total Outstanding Contractual Commitments	<u>\$ 342,250</u>

NOTE N – 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.

As of March 31, 2024, the Authority has determined it has potential liabilities resulting from possible breaches of contract with up to five contractors applicable to contracts active through fiscal year 2019, totaling \$240,976. HUD has disapproved payment of the applicable invoices from federal funding sources due to potential procurement violations upon awarding and executing the applicable contracts. The statute of limitations for breach of contract claims in Louisiana is 10 years from the last date of activity on a contract. As of the date of this report, the applicable contractors have not filed claims or pursued legal action with respect to the contracts. Authority management has assessed the likelihood of any future payments, judgements, liens or other losses on or resulting from the contracts as remote. Therefore, the Authority has not accrued a liability for the applicable contracts. Potential future claims on the contracts could amount to up to \$240,976 plus legal and other incremental costs.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE O – REVENUE RECOGNITIONS FROM FORMER LIABILITY ACCRUALS

During fiscal year 2024, the Authority assessed certain liability accruals and determined various liabilities will not be settled and other liabilities are unlikely to be settled from the Authority's assets. The applicable liabilities were brought into income during 2024 and consisted of accruals for past due open account invoices and potential breach of contract invoices. The statute of limitations in the state of Louisiana for open accounts and breach of contracts are three years and ten years, respectively. The Authority believes the likelihood of receiving future demands for payment on the potential breach of contract invoices is remote. Therefore, the following revenue recognitions were reported in other revenue in the Statement of Revenues, Expenses and Changes in Net Position:

Open Accounts	\$ 60,586
Potential Breach of Contracts	<u>240,976</u>
Recognitions of Former Liability Accruals	<u><u>\$ 301,562</u></u>

NOTE P – DIFFERENT REPORTING STANDARDS

The financial statements of Bayou Place Development I, LP and Bayou Place Development II, LP (Discrete Component Units) were not prepared in accordance with *Generally Accepted Governmental Accounting Standards* (GAGAS). However, in these financial statements, items have been presented in the same categories as the Housing Authority's Enterprise Fund.

If the financial statements of the Discrete Component Units were prepared in accordance with GAGAS, they would have adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement amends or supersedes the accounting and financial reporting guidance for certain items previously reported as assets or liabilities, including debt issuance costs. Under GASBS No. 65, debt issuance costs are to be reported as an expense as incurred, rather than capitalized and amortized over the life of the applicable debt.

If the financial statements of the Discrete Component Units were prepared in accordance with GAGAS, including the adoption of GASBS No. 65, the Discrete Component Units' liabilities would have been \$18,848 more than (and net position less than) what is currently being reported in these financial statements. Additionally, the expenses reported in the Statement of Revenues, Expenses and Changes in Net Position would have excluded \$1,937 of amortization which has been added to interest expense in these financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE Q – DISCRETE COMPONENT UNITS – CONDENSED FINANCIAL STATEMENTS

Condensed Statement of Net Position

	<u>BPD I, LP</u> <u>12/31/2023</u>	<u>BPD II, LP</u> <u>12/31/2023</u>	<u>Elimination</u>	<u>Total DCU's</u> <u>12/31/2023</u>
Assets				
Current and restricted assets	\$ 271,443	\$ 316,083	\$ -	\$ 587,526
Capital assets	2,018,882	2,696,192	-	4,715,074
Other assets due from BPD I, LP	-	13,513	(13,513)	-
Other assets	22,643	21,645	-	44,288
Total assets	<u>2,312,968</u>	<u>3,047,433</u>	<u>(13,513)</u>	<u>5,346,888</u>
Liabilities				
Current liabilities	29,511	35,742	-	65,253
Non-current liabilities	338,138	287,400	-	625,538
Non-current liabilities due to BPD II, LP	13,513	-	(13,513)	-
Non-current liabilities due to the Authority	447,286	534,914	-	982,200
Total liabilities	<u>828,448</u>	<u>858,056</u>	<u>(13,513)</u>	<u>1,672,991</u>
Net position				
Net investment in capital assets	1,380,861	2,017,533	-	3,398,394
Restricted net position	225,038	212,952	-	437,990
Unrestricted net position	(121,379)	(41,108)	-	(162,487)
Total net position	<u>\$ 1,484,520</u>	<u>\$ 2,189,377</u>	<u>\$ -</u>	<u>\$ 3,673,897</u>

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>BPD I, LP</u> <u>12/31/2023</u>	<u>BPD II, LP</u> <u>12/31/2023</u>	<u>Total DCU's</u> <u>12/31/2023</u>
Revenues			
Operating revenue	\$ 190,216	\$ 183,707	\$ 373,923
Interest income	1,578	2,032	3,610
Total revenues	<u>191,794</u>	<u>185,739</u>	<u>377,533</u>
Expenses			
Operating expenses	271,002	297,353	568,355
Operating Expenses to the Authority	10,135	9,680	19,815
Interest Expense	23,757	20,082	43,839
Total expenses	<u>304,894</u>	<u>327,115</u>	<u>632,009</u>
Decrease of net position	<u>(113,100)</u>	<u>(141,376)</u>	<u>(254,476)</u>
Beginning net position	1,597,620	2,330,753	3,928,373
Ending net position	<u>\$ 1,484,520</u>	<u>\$ 2,189,377</u>	<u>\$ 3,673,897</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE Q – DISCRETE COMPONENT UNITS – CONDENSED FINANCIAL STATEMENTS - Continued

Condensed Statement of Cash Flows

	<u>BPD I, LP</u> <u>12/31/2023</u>	<u>BPD II, LP</u> <u>12/31/2023</u>	<u>Total DCU's</u> <u>12/31/2023</u>
From all operating activities	\$ 15,719	\$ 12,103	\$ 27,822
Used by all capital and financing activities	(33,408)	(28,001)	(61,409)
From all investing activities	1,578	2,032	3,610
Net decrease in cash and restricted cash	(16,111)	(13,866)	(29,977)
Beginning current and restricted cash	260,644	303,669	564,313
Ending current and restricted cash	\$ 244,533	\$ 289,803	\$ 534,336

NOTE R – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through August 21, 2024, the date the financial statements were available to be issued.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED MARCH 31, 2024

<u>Grantor Program or Cluster Title</u>	<u>Federal Assistance Listing No.</u>	<u>Pass-through Entity Identifying No.</u>	<u>Federal Expenditures</u>
Public Housing Program	14.850a	N/A	\$ 441,809
Capital Fund Program	14.872	N/A	211,618
TOTAL HUD EXPENDITURES			653,427
TOTAL FEDERAL EXPENDITURES			\$ 653,427

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, 2024. 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 – AWARDS PASSED-THROUGH TO SUBRECIPIENTS

No federal award funds were passed-through to subrecipient grantees during the fiscal year ended March 31, 2024.

NOTE 4 – NON-MONETARY FEDERAL AWARDS ASSISTANCE

The Authority did not receive or expend non-monetary federal awards assistance during the fiscal year ended March 31, 2024.

NOTE 5 – INDIRECT COST RATE

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

Housing Authority of the City of New Iberia (LA027)
 NEW IBERIA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 03/31/2024

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
111 Cash - Unrestricted	\$ 481,415	\$ 302	\$ -	\$ 481,717	\$ 91,926	573,643
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-
113 Cash - Other Restricted	399,408	-	-	399,408	437,990	837,398
114 Cash - Tenant Security Deposits	17,854	-	-	17,854	4,420	22,274
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-
100 Total Cash	\$ 898,677	\$ 302	\$ -	\$ 898,979	\$ 534,336	\$ 1,433,315
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-	-	-	-
124 Accounts Receivable - Other Government	21,338	-	-	21,338	-	21,338
125 Accounts Receivable - Miscellaneous	8,549	-	-	8,549	-	8,549
126 Accounts Receivable - Tenants	266	-	-	266	18,935	19,203
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	(21,338)	-	-	(21,338)	-	(21,338)
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-
129 Accrued Interest Receivable	2	-	-	2	-	2
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 8,819	\$ -	\$ -	\$ 8,819	\$ 18,935	\$ 27,754
131 Investments - Unrestricted	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	28,129	-	-	28,129	34,255	62,384
143 Inventories	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-
150 Total Current Assets	\$ 935,625	\$ 302	\$ -	\$ 935,927	\$ 587,526	\$ 1,523,453

Housing Authority of the City of New Iberia (LA027)
 NEW IBERIA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 03/31/2024

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
161 Land	222,593	-	-	222,593	328,535	551,128
162 Buildings	10,999,255	-	-	10,999,255	6,681,602	17,680,857
163 Furniture, Equipment & Machinery - Dwellings	105,906	-	-	105,906	210,571	316,477
164 Furniture, Equipment & Machinery - Administration	195,353	-	-	195,353	-	195,353
165 Leasehold Improvements	3,300,934	-	-	3,300,934	809,355	4,110,289
166 Accumulated Depreciation	(13,510,559)	-	-	(13,510,559)	(3,314,989)	(16,825,548)
167 Construction in Progress	25,838	-	-	25,838	-	25,838
168 Infrastructure	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 1,339,320	\$ -	\$ -	\$ 1,339,320	\$ 4,715,074	\$ 6,054,394
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-
174 Other Assets	-	-	-	-	44,288	44,288
176 Investments in Joint Ventures	-	-	-	-	-	-
180 Total Non-Current Assets	\$ 1,339,320	\$ -	\$ -	\$ 1,339,320	\$ 4,759,362	\$ 6,098,682
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 2,274,945	\$ 302	\$ -	\$ 2,275,247	\$ 5,346,888	\$ 7,622,135
311 Bank Overdraft	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	5,011	-	-	5,011	35,468	40,479
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-
322 Accrued Compensated Absences - Current Portion	6,913	-	-	6,913	-	6,913
324 Accrued Contingency Liability	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	2,957	2,957
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-

Housing Authority of the City of New Iberia (LA027)
 NEW IBERIA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 03/31/2024

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
333 Accounts Payable - Other Government	16,853	-	-	16,853	-	16,853
341 Tenant Security Deposits	17,854	-	-	17,854	4,420	22,274
342 Unearned Revenue	23,870	-	-	23,870	1,598	25,468
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	20,810	20,810
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-	-
346 Accrued Liabilities - Other	1,347	-	-	1,347	-	1,347
347 Inter Program - Due To	-	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-	-
310 Total Current Liabilities	\$ 71,848	\$ -	\$ -	\$ 71,848	\$ 65,253	\$ 137,101
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	1,295,870	1,295,870
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	311,868	311,868
354 Accrued Compensated Absences - Non Current	14,282	-	-	14,282	-	14,282
355 Loan Liability - Non Current	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 14,282	\$ -	\$ -	\$ 14,282	\$ 1,607,738	\$ 1,622,020
300 Total Liabilities	\$ 86,130	\$ -	\$ -	\$ 86,130	\$ 1,672,991	\$ 1,759,121
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	1,339,320	-	-	1,339,320	3,398,394	4,737,714
511.4 Restricted Net Position	399,408	-	-	399,408	437,990	837,398
512.4 Unrestricted Net Position	450,087	302	-	450,389	(162,487)	287,902
513 Total Equity - Net Assets / Position	\$ 2,188,815	\$ 302	\$ -	\$ 2,189,117	\$ 3,673,897	\$ 5,863,014
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 2,274,945	\$ 302	\$ -	\$ 2,275,247	\$ 5,346,888	\$ 7,622,135

Housing Authority of the City of New Iberia (LA027)
 NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2024

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
70300 Net Tenant Rental Revenue	\$ 153,204	\$ -	\$ -	\$ 153,204	\$ 372,702	525,906
70400 Tenant Revenue - Other	23,505	-	-	23,505	1,221	24,726
70500 Total Tenant Revenue	\$ 176,709	\$ -	\$ -	\$ 176,709	\$ 373,923	\$ 550,632
70600 HUD PHA Operating Grants	643,389	-	-	643,389	-	643,389
70610 Capital Grants	10,038	-	-	10,038	-	10,038
70710 Management Fee	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-
70700 Total Fee Revenue	\$ 653,427	\$ -	\$ -	\$ 653,427	\$ -	\$ 653,427
71100 Investment Income - Unrestricted	439	-	-	439	3,610	4,049
71200 Mortgage Interest Income	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-
71500 Other Revenue	335,817	-	-	335,817	-	335,817
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-
70000 Total Revenue	\$ 1,166,392	\$ -	\$ -	\$ 1,166,392	\$ 377,533	\$ 1,543,925
91100 Administrative Salaries	104,793	-	-	104,793	26,682	131,475
91200 Auditing Fees	30,200	-	-	30,200	15,000	45,200
91300 Management Fee	-	-	-	-	22,620	22,620
91310 Book-keeping Fee	-	-	-	-	-	-
91400 Advertising and Marketing	849	-	-	849	828	1,677
91500 Employee Benefit contributions - Administrative	9,104	-	-	9,104	2,658	11,762
91600 Office Expenses	41,978	-	-	41,978	10,289	52,267
91700 Legal Expense	1,046	-	-	1,046	-	1,046
91800 Travel	2,805	-	-	2,805	-	2,805

Housing Authority of the City of New Iberia (LA027)
 NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2024

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
91910 Allocated Overhead	-	-	-	-	-	-
91900 Other	22,859	-	-	22,659	3,979	26,638
91000 Total Operating - Administrative	\$ 213,434	\$ -	\$ -	\$ 213,434	\$ 82,056	\$ 295,490
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-
92400 Tenant Services - Other	-	-	-	-	-	-
92500 Total Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93100 Water	28,227	-	-	28,227	746	28,973
93200 Electricity	51,865	-	-	51,865	4,611	56,476
93300 Gas	277	-	-	277	-	277
93400 Fuel	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-
93600 Sewer	30,242	-	-	30,242	-	30,242
93800 Other Utilities Expense	-	-	-	-	-	-
93000 Total Utilities	\$ 110,611	\$ -	\$ -	\$ 110,611	\$ 5,357	\$ 115,968
94100 Ordinary Maintenance and Operations - Labor	97,244	-	-	97,244	28,070	125,314
94200 Ordinary Maintenance and Operations - Materials and Other	32,420	-	-	32,420	7,425	39,845
94300 Ordinary Maintenance and Operations Contracts	101,648	-	-	101,648	100,386	202,034
94500 Employee Benefit Contributions - Ordinary Maintenance	37,622	-	-	37,622	2,766	40,388
94000 Total Maintenance	\$ 268,934	\$ -	\$ -	\$ 268,934	\$ 138,647	\$ 407,581
95100 Protective Services - Labor	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	2,004	-	-	2,004	-	2,004
95300 Protective Services - Other	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-

Housing Authority of the City of New Iberia (LA027)
 NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2024

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
95000 Total Protective Services	\$ 2,004	\$ -	\$ -	\$ 2,004	\$ -	\$ 2,004
96110 Property Insurance	298,786	-	-	298,786	119,509	418,295
96120 Liability Insurance	9,697	-	-	9,697	-	9,697
96130 Workmen's Compensation	6,831	-	-	6,831	1,230	8,061
96140 All Other Insurance	44,301	-	-	44,301	-	44,301
96100 Total insurance Premiums	\$ 359,615	\$ -	\$ -	\$ 359,615	\$ 120,739	\$ 480,354
96200 Other General Expenses	1,561	-	-	1,561	29,568	31,129
96210 Compensated Absences	2,610	-	-	2,610	-	2,610
96300 Payments in Lieu of Taxes	6,609	-	-	6,609	-	6,609
96400 Bad debt - Tenant Rents	25,106	-	-	25,106	4,296	29,402
96500 Bad debt - Mortgages	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-
96000 Total Other General Expenses	\$ 35,886	\$ -	\$ -	\$ 35,886	\$ 33,864	\$ 69,750
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	43,839	43,839
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ 43,839	\$ 43,839
96900 Total Operating Expenses	\$ 990,484	\$ -	\$ -	\$ 990,484	\$ 424,502	\$ 1,414,986
97000 Excess of Operating Revenue over Operating Expenses	\$ 175,908	\$ -	\$ -	\$ 175,908	\$ (46,969)	\$ 128,939
97100 Extraordinary Maintenance	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-

Housing Authority of the City of New Iberia (LA027)
 NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2024

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
97400 Depreciation Expense	232,299	-	-	232,299	207,507	439,806
97500 Fraud Losses	-	-	-	-	-	-
90000 Total Expenses	\$ 1,222,783	\$ -	\$ -	\$ 1,222,783	\$ 632,009	\$ 1,854,792
10010 Operating Transfer In	171,380	-	(171,380)	-	-	-
10020 Operating transfer Out	(171,380)	-	171,380	-	-	-
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (56,391)	\$ -	\$ -	\$ (56,391)	\$ (254,476)	\$ (310,867)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ 20,810	\$ 20,810
11030 Beginning Equity	\$ 2,245,206	\$ 302	\$ -	\$ 2,245,508	\$ 3,928,373	\$ 6,173,881
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	2,400	-	-	2,400	600	3,000
11210 Number of Unit Months Leased	540	-	-	540	575	1,115
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	3,588	-	-	3,588	-	3,588
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	6,450	-	-	6,450	-	6,450
11650 Leasehold Improvements Purchases	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

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

YEAR ENDED MARCH 31, 2024

EXPENDITURE PURPOSE

Salary	<u>\$ 68,796</u>
Car Allowance	<u>2,400</u>
Reimbursements	<u>2,675</u>
Conference Travel	<u>1,241</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 75,113</u></u>

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*.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2024

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditor's report issued:

Enterprise Fund

Aggregate Discretely Presented Component Units

Qualified
Unmodified

Internal control over financial reporting:

Are material weaknesses identified?

___ Yes X No

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

___ Yes X Reported None

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

___ Yes X No

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2024

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

Finding 2024-001 – Comprehensive Compliance Monitoring Review Findings

Criteria

The Code of Federal Regulations (CFR's) and HUD PIH Notices and Handbooks provide requirements and guidance for which the Public Housing Program are to be administered and operated under.

Condition and Perspective

During June of 2023, HUD conducted a Comprehensive Compliance Monitoring Review of the Authority's Public Housing Program. The Review Report dated December 8, 2023, included the following Review Findings:

Governance, Finding 01-G11: HANI does not have a policy which indicates the PHA must perform necessary criminal history background checks in the State where the housing is located and in other States where household members are known to have resided. The application does not specifically request addresses in other states. However, HANI conducts a nationwide criminal background check prior to admission.

Governance, Finding 02-G12: HANI does not have a policy to obtain criminal conviction records from a law enforcement agency to screen applicants for admission to covered housing programs and for lease enforcement or eviction of families residing in public housing. This information is included in the application packet as a release of information for nationwide criminal background search.

Governance, Finding 03-G17: PHAs must establish standards that prohibit admission to federally assisted housing if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In the screening of applicants, the PHA must perform necessary criminal history background checks in the State where the housing is located and in other States where the household members are known to have resided. HANI is non-compliant as no such policy exists.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2024

Section II: Financial Statement Findings - Continued:

Current Year Findings and Questioned Costs - Continued:

Finding 2024-001 – Comprehensive Compliance Monitoring Review Findings - Continued

Current Year Findings - Continued:

Condition and Perspective (Continued)

Governance, Finding 04-G18: PHAs must establish standards that prohibit admission of an applicant to the PHA's public housing program for three years from the date of the eviction if any household member has been evicted from federally assisted housing for drug-related criminal activity, unless the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the PHA or the circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned). HANI is non-compliant as no such policy exists.

Governance, Finding 05-G21: The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially; not misused or improperly disseminated; and destroyed once the purpose(s) for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. HANI is non-compliant as no such policy exists.

Governance, Finding 06-G22: Before a PHA denies admission to the PHAs public housing program on the basis of a criminal record, the PHA must notify the household of the proposed action to be based on the information and must provide the subject of the record and the applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record. HANI is non-compliant as no such policy exists.

Governance, Finding 07-G37: It is unlawful for any person to refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford a handicapped person equal opportunity to use and enjoy a dwelling unit, including public and common use areas. HANI is non-compliant as it does not have a reasonable accommodation policy.

Governance, Finding 08-G38: HANI is non-compliant with State law, which requires a 5-member Board of Commissioners. Currently, waiting on City of New Iberia Mayor to fill 2 vacancies.

Public Housing, Finding 09-P86: The non-federal entity must have and use documented procurement procedures, consistent with the standards of 2.CFG 200.320 for any formal or informal methods of procurement used for the acquisition of property or services required under a federal award or sub-award.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2024

Section II: Financial Statement Findings - Continued:

Current Year Findings and Questioned Costs - Continued:

Finding 2024-001 – Comprehensive Compliance Monitoring Review Findings - Continued

Current Year Findings - Continued:

Condition and Perspective (Continued)

Public Housing, Finding 10-P88: Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-federal entity's small purchase procedures. The non-federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions).

Public Housing, Finding 11-P90: (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. HANI did not possess an inventory control system and schedule for equipment/similar assets.

Public Housing, Finding 12-P91: A physical inventory of equipment (including replacement equipment) must be taken and the results reconciled with the property records at least once every two years. HANI admitted not conducting annual inventories or having policies to address such. The inventory report was prepared in response to pending CCM visit but was not inclusive of all HANI-owned properties/inventories.

Public Housing, Finding 13-P97: (1) The PHA shall maintain a record that documents the basis on which allowances and scheduled surcharges, and revisions thereof, are established and revised. Such record shall be available for inspection by residents. (2) The PHA shall review at least annually the basis on which utility allowances have been established and, if reasonably required in order to continue adherence to the standards stated in § 965.505, shall establish revised allowances. The review shall include all changes in circumstances (including completion of modernization and/or other energy conservation measures implemented by the PHA) indicating probability of a significant change in reasonable consumption requirements and changes in utility rates. HANI does not conduct an annual review of its utility allowances. HANI owns the electrical grid. HANI pays for all electricity and water costs. Tenants are responsible for gas only.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2024

Section II: Financial Statement Findings - Continued:

Current Year Findings and Questioned Costs - Continued:

Finding 2024-001 – Comprehensive Compliance Monitoring Review Findings - Continued

Current Year Findings - Continued:

Condition and Perspective (Continued)

Public Housing, Finding 14-P105: Requests for relief from surcharges for excess consumption of PHA-purchased utilities, or from payment of utility supplier billings in excess of the allowances for resident-purchased utilities, may be granted by the PHA on reasonable grounds, such as special needs of elderly, ill or disabled residents, or special factors affecting utility usage not within the control of the resident, as the PHA shall deem appropriate. The PHA's criteria for granting such relief, and procedures for requesting such relief, shall be adopted at the time the PHA adopts the methods and procedures for determining utility allowances. Notice of the availability of such procedures (including identification of the PHA representative with whom initial contact may be made by residents), and the PHA's criteria for granting such relief, shall be included in each notice to residents given in accordance with § 965.502(c) and in the information given to new residents upon admission. HANI Tenants pay for gas. HANI did not have a policy to address Individual Relief of utility allowance. HANI owns the electrical grid, so residents do not receive a utility allowance for electricity as HANI pays the costs.

Public Housing, Finding 15-P106: HUD requires that the effective date of the reexamination for a family paying an income-based rent occur no more than 12 months after the previous annual reexamination or new admission effective date. Found ten (10) re-exams overdue. PHA has a 77.78% success rate. Tenants' re-exams were delinquent several years prior to 2021. PHA attempted to bring all files current by resetting the re-exams due dates to the same dates, which is not compliant with regulations.

Public Housing, Finding 16-P116: All PHAs are to correct or abate EHS deficiencies within 24 hours after the inspection, and certify to the correction or abatement activity through the online application within three business days of the inspection. EH&S findings were mitigated within 24-48 hours of the most recent inspection, which was conducted on 2/14/2022.

Public Housing, Finding 17-P118: PHAs must design and implement a policy prohibiting the use of prohibited tobacco products in all public housing living units and interior areas (including but not limited to hallways, rental and administrative offices, community centers, day care centers, laundry centers, and similar structures), as well as in outdoor areas within 25 feet from public housing and administrative office buildings (collectively, "restricted areas") in which public housing is located. PHAs may limit smoking to designated smoking areas on the grounds of the public housing or administrative office buildings in order to accommodate residents who smoke. These areas must be outside of any restricted areas and may include partially enclosed structures. Alternatively, PHAs may choose to create additional smoke-free areas outside the restricted areas or to make their entire grounds smoke-free. Agency has no record of adopting a Smoke-Free Policy. Technical assistance was provided to the PHA to facilitate adopting a compliant policy.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2024

Section II: Financial Statement Findings - Continued:

Current Year Findings and Questioned Costs - Continued:

Finding 2024-001 – Comprehensive Compliance Monitoring Review Findings - Continued

Current Year Findings - Continued:

Condition and Perspective (Continued)

Public Housing, Finding 18-P132: For all aspects of the lease and grievance procedures, a handicapped person shall be provided reasonable accommodation to the extent necessary to provide the handicapped person with an opportunity to use and occupy the dwelling unit equal to a non-handicapped person. The PHA shall also provide a notice to each tenant that the tenant may, at any time during the tenancy, request reasonable accommodation of a handicap of a household member, including reasonable accommodation so that the tenant can meet lease requirements or other requirements of tenancy. HANI was non-compliant. Sample reasonable accommodation and reasonable modification policies were provided to the Executive Director along with technical assistance.

Cause

Failure to include certain written policy requirements and to execute other requirements of the federal Public Housing Program.

Effect

Noncompliance with certain requirements of the Program.

Questioned Costs – None noted

Recommendation

The Authority has responded to HUD's Review Findings with specific corrective actions it has implemented and is in the process of implementing. We recommend that the Authority continue implementing the remainder of its corrective actions outlined in its response communicated to HUD.

Reply

Management has issued a formal response to HUD's Findings dated December 21, 2023, outlining specific corrective actions and considers the corrective actions satisfactorily implemented as of the date of this Report. The Authority's Executive Director has assumed the responsibility of continued execution of the corrective actions.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

CORRECTIVE ACTION PLAN

MARCH 31, 2024

Corrective Action

Management has issued a formal response to HUD's Findings dated December 21, 2023, outlining specific corrective actions and considers the corrective actions satisfactorily implemented as of the date of this Report. The Authority's Executive Director has assumed the responsibility of continued execution of the corrective actions.



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of New Iberia
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, 2023 through March 31, 2024. The Housing Authority of the City of New Iberia'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, 2023 through March 31, 2024. 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

Applicable Written Policies and Procedures functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

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

All applicable Collections functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

Disbursements

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

Credit Cards

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

Travel and Expense Reimbursement

Travel and Expense Reimbursement functions outlined in Addendum A (attached) were addressed and adhered to without exception.

Contracts

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

Payroll and Personnel

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

Ethics

Ethics functions outlined in Addendum A (attached) were addressed and adhered to without exception. There were no changes to the Ethics Policy during 2024.

Debt Service

The Authority did not enter into any debt agreements during fiscal year 2024 or have any debt outstanding as of March 31, 2024.

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.

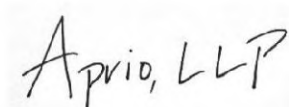
Sexual Harassment

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

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
August 21, 2024

ADDENDUM A

PROCEDURES

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

- 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:¹
- 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.

¹ 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. **Ethics²**, 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 Committee³

- 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.

² 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.

³ 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 comparisons, at a minimum, on all proprietary funds⁴, and semi-annual budget-to-actual comparisons, 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 funds⁵ 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.⁶

3) Bank Reconciliations

- 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 accounts⁷ (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 ledgers, or issue checks has reviewed each bank reconciliation within 1

⁴Proprietary 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.

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

⁶ 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.

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

- month of the date the reconciliation was prepared (e.g., initialed and dated or 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)⁸

- A. Obtain a listing of deposit sites⁹ 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 locations¹⁰ 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 custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

⁸ 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).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ 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.¹¹
 - 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 receipt¹² 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)

- 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;

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

¹² 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 cards¹³. 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)¹⁴. 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 Reimbursements¹⁵ (excluding card transactions)

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

¹³ Including cards used by school staff for either school operations or school activity fund operations.

¹⁴ 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.

¹⁵ 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);
- 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

- 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 Law¹⁶ (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

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" (R.S. 38:2211 *et seq*) 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

- A. Obtain a listing of employees and officials¹⁷ 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 officials¹⁸ 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.

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

¹⁸ 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.

10) Ethics¹⁹

- 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.

11) Debt Service²⁰

- 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).

12) Fraud Notice²¹

- 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

¹⁹ 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.

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

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs. The notice is available for download at 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

- 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 Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information

technology assets have completed cybersecurity training as required by R.S. 42:1267²². The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

14) Prevention of Sexual Harassment²³

- 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.

²² While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

²³ 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 Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.