

**THE HOUSING AUTHORITY OF  
EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2023**



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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of East Baton Rouge Parish (the Authority), as of and for the year ended September 30, 2023, except for the separately audited discretely presented component units mentioned below for which the financial statements are as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of September 30, 2023, except for the separately audited discretely presented component units mentioned below for which the financial statements are as of and for the year ended December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following discretely presented component units: Brookstown Place Partnership, ALPIC, Cedar Pointe Subdivision, L.P., Wesley Chapel Development, L.P., EBRPHA Development I, L.P., EBRPHA Development II, L.P., EBRPHA Development IV, L.P., River South Development, L.P., and Cypress at Gardere, L.P. (the Partnerships), which represent 88%, 81%, and 87%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinions insofar as it relates to the amounts included for the Partnerships are based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Cypress at Gardere, L.P. were not audited in accordance with *Government Auditing Standards*.

***Emphasis of Matter***

During the fiscal year ended September 30, 2023, a discretely presented component unit, Partners for Progress, Incorporated, recorded a prior period adjustment related to the correction of an error. As stated in Note 14 to the financial statements, a prior period adjustment was recorded to beginning net position as a result of expensing an amount in prior year that should have been recorded as a note receivable. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, no such opinion is expressed.

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish

- 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 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 the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards* Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

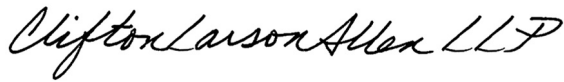
***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining schedule of discretely presented component units, financial data schedules, schedule of compensation, benefits and other payments to the chief executive officer, as required by the Louisiana Legislative Auditor's Office, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the combining schedule of discretely presented component units, financial data schedules, schedule of compensation, benefits and other payments to the chief executive officer and schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
May 30, 2024

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2023**

The Housing Authority of East Baton Rouge Parish's (the Authority) Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position.

Since the 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 Component Units. The audited financial statements of the Component Units have been included in the financial statements of the Authority.

**FINANCIAL HIGHLIGHTS**

- The Authority's net position increased \$3.4 million in 2023. Net Position was \$31.7 million and \$28.3 million for 2023 and 2022, respectively.
- Revenues increased \$7.4 million during 2023, and were \$51.8 million and \$44.4 million for 2023 and 2022, respectively.
- The total expenses of all Authority programs increased \$.6 million. Total expenses were \$48.4 million and \$47.7 million for 2023 and 2022, respectively.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2023**

**USING THIS ANNUAL REPORT**

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)," the "Basic Financial Statements," and "Other Required Supplementary Information."

**MD&A**

~ Management's Discussion and Analysis ~

**Basic Financial Statements**

~ Authority-Wide Financial Statements ~  
~ Notes to Financial Statements ~

**Other Required Supplementary Information**

~ Required Supplementary Information ~  
(Other than the MD&A)



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2023**

**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 of 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 "Noncurrent."

The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to represent the net available liquid (noncapital) 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 and operating grants; operating expenses such as administrative, utilities, maintenance, and depreciation; and nonoperating revenues 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, noncapital financing activities, investing activities and from capital and related financing activities.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2023**

**Authority-Wide 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 provide the 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.

Housing Choice Vouchers Program – Under the Housing Voucher Cluster, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Other Less Significant Programs – In addition to the significant programs above, the Authority also maintains the following less significant programs:

- Central Office Cost Center (COCC)
- Business Activities (BUSA)
- Revitalization of Severely Distressed Public Housing
- Resident Opportunity and Supportive Services Program (ROSS)
- Section 8 Moderate Rehabilitation Program
- Disaster Housing Assistance Program (DHAP)
- Disaster Housing Assistance – Ike Program (IKE)
- Disaster Voucher Program (DVP)
- Choice Neighborhood Implementation Grants (CNI)
- Emergency Housing Voucher Program (EHV)

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED SEPTEMBER 30, 2023**

**AUTHORITY-WIDE STATEMENTS**

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

**TABLE 1**

**CONDENSED STATEMENT OF NET POSITION**

	2023	2022	\$ Variance	% Variance
<b>Assets and Deferred Outflows of Resources:</b>				
Current Assets	\$ 10,252,735	\$ 10,763,874	\$ (511,139)	-4.75%
Restricted Assets	1,128,963	324,262	804,701	248.16%
Capital Assets, Net	17,190,098	15,374,781	1,815,317	11.81%
Other Noncurrent Assets	6,325,737	4,986,808	1,338,929	26.85%
<b>Total Assets</b>	<b>\$ 34,897,533</b>	<b>\$ 31,449,725</b>	<b>\$ 3,447,808</b>	<b>10.96%</b>
<b>Liabilities:</b>				
Current Liabilities	\$ 1,402,553	\$ 1,478,802	\$ (76,249)	-5.16%
Noncurrent Liabilities	1,791,437	1,684,376	107,061	6.36%
<b>Total Liabilities</b>	<b>3,193,990</b>	<b>3,163,178</b>	<b>30,812</b>	<b>0.97%</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	15,644,161	13,602,881	2,041,280	15.01%
Restricted Net Position	892,882	69,872	823,010	100.00%
Unrestricted Net Position	15,166,500	14,613,794	552,706	3.78%
<b>Total Net Position</b>	<b>31,703,543</b>	<b>28,286,547</b>	<b>3,416,996</b>	<b>12.08%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 34,897,533</b>	<b>\$ 31,449,725</b>	<b>\$ 3,447,808</b>	<b>10.96%</b>

**Major Factors Affecting the Statement of Net Position**

During 2023, total assets increased \$3.5 million resulting primarily from an increase in capital assets of \$1.8 million related to multiple purchases of land for future low-income housing. Total cash decreased by \$2.3 million and notes receivable and due from Partners for Progress, Inc. increased by \$1.3 million and \$.5 million, respectively. Notes receivable increased mostly as a result of increased activity of the choice neighborhood grant project.

During 2023, total liabilities increased \$.03 million which is a result of payments on long-term debt offset by increases in unearned revenue and accounts payable, resulting in total liabilities remaining consistent with prior year.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED SEPTEMBER 30, 2023**

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

**TABLE 2**

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

	2023	2022	\$ Variance	% Variance
<b>REVENUES</b>				
Tenant Rental Revenue	\$ 1,808,998	\$ 1,960,248	\$ (151,250)	-7.72%
Operating Grants	44,689,000	40,386,493	4,302,507	10.65%
Capital Contributions	3,510,379	344,454	3,165,925	919.11%
Investment Income	2,043	6,107	(4,064)	-66.55%
Other Revenue	1,759,153	1,658,788	100,365	6.05%
Total Revenues	<u>51,769,573</u>	<u>44,356,090</u>	<u>7,413,483</u>	<u>16.71%</u>
<b>EXPENSES</b>				
Administrative Expenses	5,236,076	5,779,620	(543,544)	-9.40%
Tenant Services	255,814	268,736	(12,922)	-4.81%
Utilities	1,345,976	1,305,146	40,830	3.13%
Maintenance and Operations	2,162,505	2,913,483	(750,978)	-25.78%
Protective Services	135,220	86,501	48,719	56.32%
Insurance	1,696,119	1,357,759	338,360	24.92%
General Expenses	71,171	1,945,407	(1,874,236)	-96.34%
Interest Expense	118,490	134,636	(16,146)	-11.99%
Housing Assistance Payments	35,311,543	32,728,507	2,583,036	7.89%
Bad Debt	302,301	2,249	300,052	100.00%
Depreciation	1,717,362	1,193,638	523,724	43.88%
Total Expenses	<u>48,352,577</u>	<u>47,715,682</u>	<u>636,895</u>	<u>1.33%</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>\$ 3,416,996</u>	<u>\$ (3,359,592)</u>	<u>\$ 6,776,588</u>	<u>-201.71%</u>

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**REVENUES**

Total revenues increased during 2023 in comparison to 2022 by \$7.4 million. Operating grants increased \$4.3 million due primarily to an increase in total vouchers for the housing voucher program and an increase in activity for the choice neighborhood grant project. Capital contributions increased \$3.2 million as a result of capital asset purchases paid with capital fund monies and increased construction on properties.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED SEPTEMBER 30, 2023**

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)**

**EXPENSES**

Total expenses increased \$.6 million. The increase is mostly related to Housing Assistance Payments which increased \$2.6 million. This was caused by an increase in housing choice vouchers and amount of HAP per voucher during the year. Administrative service expenses decreased by \$.6 million mostly due to less employees at the Authority. Insurance increased by \$.3 million due to an increase in property and flood insurance because of hurricane season. Maintenance and Operations expenses decreased by \$.75 million primarily due to decrease in maintenance at the public housing properties. General expenses decreased \$1.9 million due to less monies used to fund the Cypress at Gardere project in the current year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of fiscal year-end, the Authority had \$17.19 million invested in a variety of capital assets as reflected in the following schedule:

**CAPITAL ASSETS AT YEAR END  
(NET OF DEPRECIATION)**

	2023	2022	\$ Variance	% Variance
Land	\$ 8,489,186	\$ 5,784,669	\$ 2,704,517	46.75%
Buildings and Improvements	47,295,202	46,724,857	570,345	1.22%
Furniture and Equipment	674,118	577,287	96,831	16.77%
Construction in Progress	316,325	155,339	160,986	103.64%
Less: Accumulated Depreciation	(39,584,733)	(37,867,371)	(1,717,362)	4.54%
Net Capital Assets	<u>\$ 17,190,098</u>	<u>\$ 15,374,781</u>	<u>\$ 1,815,317</u>	<u>11.81%</u>

The following reconciliation summarizes the change in Capital Assets:

**TABLE 4**

**CHANGES IN CAPITAL ASSETS**

Beginning Balance - October 1, 2022	\$ 15,374,781
Additions and Transfers:	
Buildings and Improvements	466,983
Furniture and Equipment	96,831
Construction in Process	2,976,291
Disposals	-
Depreciation Expense	(1,717,362)
Disposals - CIP	(7,426)
Ending Balance - September 30, 2023	<u>\$ 17,190,098</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED SEPTEMBER 30, 2023**

**DEBT**

As of fiscal year-end, the Authority had \$1.31 million in long-term debt outstanding compared to \$1.55 million last year.

**TABLE 5**

**OUTSTANDING DEBT, AT YEAR-END**

	Balance as of September 30, 2023	Balance as of September 30, 2022
Mortgages and Notes Payable	\$ 1,545,937	\$ 1,771,900
Less: Current Portion	(241,732)	(225,213)
Long-Term Debt	\$ 1,304,205	\$ 1,546,687

**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 supplies and other costs

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Jim Wesley Daniels, Executive Director of The Housing Authority of East Baton Rouge Parish at 4731 North Boulevard, Baton Rouge, Louisiana 70806.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	Discretely Presented Component Units		
	Primary Government	Partners-for- Progress, Incorporated	Discretely Partnerships December 31, 2022 Year-End
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 3,870,438	\$ 1,216,698	\$ 1,534,366
Tenants Accounts Receivable, Net	173,485	-	154,998
Accounts Receivable - HUD	2,280,424	-	-
Accounts Receivable - Other, Net of Allowance	648,955	569,508	47,938
Due From Partners for Progress, Inc.	2,157,289	-	-
Prepaid Costs	848,158	5,180	254,701
Materials and Supplies, Net of Allowance	273,986	-	-
Total Current Assets	10,252,735	1,791,386	1,992,003
<b>RESTRICTED ASSETS</b>			
Cash and Cash Equivalents - Tenant Security Deposits	155,611	-	156,814
Cash and Cash Equivalents - Other Restricted	973,352	-	2,622,299
Total Restricted Assets	1,128,963	-	2,779,113
<b>CAPITAL ASSETS</b>			
Land	8,489,186	292,500	803,683
Buildings and Improvements	47,295,202	-	79,245,260
Furniture and Equipment	674,118	15,418	4,295,886
Construction in Progress	316,325	-	-
Total	56,774,831	307,918	84,344,829
Less: Accumulated Depreciation	(39,584,733)	(15,418)	(20,128,360)
Net Capital Assets	17,190,098	292,500	64,216,469
<b>OTHER ASSETS</b>			
Notes Receivable due from Partnerships	6,317,799	7,513,544	-
Other Noncurrent Assets	7,938	-	459,985
Total Other Assets	6,325,737	7,513,544	459,985
Total Assets	\$ 34,897,533	\$ 9,597,430	\$ 69,447,570

See accompanying Notes to Financial Statements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**SEPTEMBER 30, 2023**

LIABILITIES	Primary Government	Discretely Presented	
		Partners-for- Progress, Incorporated	Partnerships December 31, 2022 Year-End
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 480,499	\$ 11,103	\$ 216,534
Accounts Payable - HUD PHA Programs	22,334	-	-
Due to Primary Government	-	2,157,289	-
Accrued Wages and Payroll Taxes	152,159	4,021	-
Accrued Compensated Absences	20,320	1,219	26,007
Accrued Interest Payable	-	-	124,991
Accrued Liabilities - Other	206,510	-	138,967
Tenant Security Deposits	155,611	-	155,039
Unearned Revenue	123,388	-	23,775
Accrued Asset Management Fee	-	3,196	1,437,289
Current Portion of Debt	241,732	292,500	169,076
Total Current Liabilities	1,402,553	2,469,328	2,291,678
<b>LONG-TERM LIABILITIES</b>			
Long-Term Debt, Net of Current	1,304,205	500,200	37,540,250
Accrued Interest Payable and Other, Net of Current	-	-	1,836,570
Accrued Compensated Absences, Net of Current	178,013	10,976	-
Noncurrent Liabilities - Other	309,219	-	166,592
Total Long Term Liabilities	1,791,437	511,176	39,543,412
Total Liabilities	3,193,990	2,980,504	41,835,090
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,644,161	-	24,670,573
Restricted Net Position	892,882	-	2,507,299
Unrestricted Net Position	15,166,500	6,616,926	434,608
Total Net Position	31,703,543	6,616,926	27,612,480
Total Liabilities and Net Position	\$ 34,897,533	\$ 9,597,430	\$ 69,447,570

See accompanying Notes to Financial Statements.



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2023**

	Primary Government	Discretely Presented	
		Partners-for- Progress, Incorporated	Partnerships December 31, 2022 Year-End
<b>OPERATING REVENUES</b>			
Dwelling Rent	\$ 1,808,998	\$ -	\$ 3,462,540
Operating Grants	44,689,000	-	-
Other Revenue	1,759,153	805,016	2,040,599
Total Operating Revenues	<u>48,257,151</u>	<u>805,016</u>	<u>5,503,139</u>
<b>OPERATING EXPENSES</b>			
Administrative	5,236,076	362,235	878,318
Tenant Services	255,814	10,000	-
Utilities	1,345,976	1,797	185,049
Maintenance and Operations	2,162,505	3,029	1,086,711
Protective Services	135,220	-	-
Insurance	1,696,119	12,017	655,562
General Expense	71,171	17,828	280,138
Housing Assistance Payments	35,311,543	-	-
Bad Debt	302,301	-	83,134
Depreciation	1,717,362	-	2,171,419
Total Operating Expenses	<u>48,234,087</u>	<u>406,906</u>	<u>5,340,331</u>
<b>OPERATING INCOME</b>	23,064	398,110	162,808
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income	2,043	-	6,814
Interest Expense	(118,490)	(16,150)	(1,338,051)
Total Nonoperating Revenues (Expenses)	<u>(116,447)</u>	<u>(16,150)</u>	<u>(1,331,237)</u>
<b>(LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	(93,383)	381,960	(1,168,429)
Capital Grants - from HUD	<u>3,510,379</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	3,416,996	381,960	(1,168,429)
Net Position - Beginning of Year, as Restated for Partners	<u>28,286,547</u>	<u>6,234,966</u>	<u>28,780,909</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 31,703,543</u>	<u>\$ 6,616,926</u>	<u>\$ 27,612,480</u>

See accompanying Notes to Financial Statements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2023**

	Primary Government
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Dw elling Rent	\$ 1,532,370
Cash Received from Operating Grants	42,981,868
Other Income Receipts	1,346,235
Cash Payments for Salaries and Benefits	(3,892,415)
Cash Payments to Vendors and Related Parties	(6,831,519)
Cash Payments to Landlords	(35,281,783)
Net Cash Used by Operating Activities	(145,244)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Grants Received	3,510,379
Repayment of Capital Debt Principal	(225,963)
Interest Paid on Capital Debt	(118,490)
Purchase of Capital Assets	(3,540,105)
Net Cash Used by Capital and Related Financing Activities	(374,179)
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Advances to Component Unit	(488,500)
Net Cash Used by Noncapital and Related Financing Activities	(488,500)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Income Received	2,043
Issuance of Notes Receivable	(1,330,991)
Net Cash Used by Investing Activities	(1,328,948)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,336,871)
Cash and Cash Equivalents - Beginning of Year	7,336,272
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 4,999,401
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 23,064
Adjustments to Reconcile Operating Income to Net Cash and Cash Equivalents:	
Depreciation Expense	1,717,362
Bad Debt	302,301
(Increase) Decrease in Assets:	
Accounts Receivable - HUD Other Projects	(1,838,004)
Accounts Receivable - Other Government	59,662
Accounts Receivable - Miscellaneous	(69,733)
Accounts Receivable - Tenants	(544,934)
Prepaid Costs	(95,433)
Materials and Supplies	44,208
Other Assets	(7,938)
Increase (Decrease) in Liabilities:	
Accounts Payable	(173,111)
Accrued Wages/Payroll Taxes Payable	17,420
Accrued Compensated Absences	(25,725)
Accounts Payable - HUD PHA Programs	22,334
Tenant Security Deposits	(1,070)
Unearned Revenue	5,339
Other Current Liabilities	102,369
Other Noncurrent Liabilities	316,645
Net Cash Used by Operating Activities	\$ (145,244)
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Write-off of Construction in Progress Purchases	\$ 7,426

See accompanying Notes to Financial Statements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 REPORTING ENTITY DEFINITION**

The Housing Authority of East Baton Rouge Parish (the Authority) is a governmental agency that provides low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other federal agencies.

The Authority is governed by a Board of Commissioners, which is composed of seven members. The applicable jurisdictions appoint the Board of Commissioners. However, the 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.

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 of the Governmental Accounting Standards Board (GASB). 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:

**Blended Component Units of the Authority**

**EBRP Housing Authority Holdings, Inc.**

EBRP Housing Authority Holdings, Inc was created to engage in activities permissible under section 501(c)(3), including the acquisition, development, ownership and operation of residential, commercial, and or mixed-use properties for the provision of shelter and housing for low-income individuals and families, the provision of social services, and the fostering of community engagement, economic development and cultural enrichment. The members of the board of commissioners of the housing authority serve as the board of directors of the corporation. This entity had no activity in fiscal year 2023.

**River South Phase 1**

River South Phase I was previously reported as a public housing property. In November 2022, the property was converted under RAD and now has project-based vouchers for its 33 units under a 20-year HAP contract. EBRP Holding, Inc. has 99.99% ownership and the Authority has .01% ownership of the property.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)**

**Discretely Presented Component Units**

Partners for Progress, Incorporated (the Corporation)

The Corporation is a related nonprofit Louisiana corporation, which was created as an instrumentality of the Authority for the purpose of developing low, and low-moderate income housing opportunities within the East Baton Rouge Parish community. The Corporation has entered into a management agreement with the Authority, for the Authority to provide administrative and management services to the Corporation. Because the Corporation maintains a substantively different governing board than the Authority, and the benefits derived from the services of the Corporation extend beyond the Authority, the Corporation is considered to be a discretely presented component unit. The activity from the Corporation is reported separately in the financial statements and accompanying schedules in the Partners for Progress, Incorporated column. The Corporation's fiscal year-end is September 30. A copy of the financial statements of Partners for Progress, Inc. for the year ended September 30, 2023 may be obtained by writing to The Housing Authority of the East Baton Rouge Parish, 4731 North Boulevard, Baton Rouge, Louisiana 70806.

The Corporation created various entities to serve as instrumentalities of the Corporation to facilitate low-income housing developments. The financial activity of these entities is consolidated into the Corporation's financial statements and is reported in the financial statements and accompanying schedules in the Partner for Progress, Incorporated column.

The Corporation is the sole member of the following entities with December 31, 2022 year-ends:

- Partners for Progress Development Company, LLC
- Cedar Pointe Development, LLC
- Wesley Chapel Development, LLC
- Hospital Plaza I, LLC
- Colonial Courts I, LLC
- Roosevelt Terrace, LLC
- River South, LLC
- Cypress at Gardere, GP LLC
- 2080 Ardenwood, LLC

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)**

**Discretely Presented Component Units (Continued)**

Partners for Progress, Incorporated (the Corporation) (Continued)

Brookstown Place Partnership, ALPIC

Partners for Progress Development Company, LLC is the managing general partner of Brookstown Place Partnership, a Louisiana Partnership in Commendam. Partners for Progress Development Company, LLC holds 0.01% interest in Brookstown Place Partnership and contributed \$50 at formation for this interest. Partners for Progress Development Company, LLC will receive 0.01% of income, 5.00% of the distribution of cash flow, and 5.00% from the sale or refinancing of partnership assets. Due to the Authority's interest and participation in the partnership (through Partners for Progress Development Company, LLC), Authority management considers Brookstown Place Partnership to be a discretely presented component unit.

Cedar Pointe Subdivision, LP

Cedar Pointe Development, LLC is the managing general partner of Cedar Pointe Subdivision Limited Partnership, a Louisiana Partnership in Commendam. Cedar Pointe Development, LLC holds 0.01% interest in Cedar Pointe Subdivision Limited Partnership. Cedar Pointe Development, LLC will receive 0.01% of income, 5.00% of the distribution of cash flow, and 5.00% from the sale or refinancing of partnership assets. Due to the Authority's interest and participation in the partnership (through Cedar Pointe, LLC), Authority management considers Cedar Pointe Subdivision, LP to be a discretely presented component unit.

Wesley Chapel Development, LP

Wesley Chapel Development, LLC is the managing general partner of Wesley Chapel Development, LP. Due to the Authority's interest and participation in the partnership (through Wesley Chapel Development, LLC), Authority management considers the partnership to be a discretely presented component unit.

EBRPHA Development 1, LP

Hospital Plaza I, LLC is the managing general partner of EBRPHA Development 1, LP. Due to the Authority's interest and participation in the partnership (through Hospital Plaza I, LLC), Authority management considers the partnership to be a discretely presented component unit.

EBRPHA Development 2, LP

Colonial Courts I, LLC is the managing general partner of EBRPHA Development 2, LP. Due to the Authority's interest and participation in the partnership (through Colonial Courts I, LLC), Authority management considers the partnership to be a discretely presented component unit.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)**

**Discretely Presented Component Units (Continued)**

Partners for Progress, Incorporated (the Corporation) (Continued)

EBRPHA Development 4, LP

Roosevelt Terrace, LLC is the managing general partner of EBRPHA Development 4, LP. Due to the Authority's interest and participation in the partnership (through Roosevelt Terrace, LLC), Authority management considers the partnership to be a discretely presented component unit.

River South Development, LP

River South, LLC is the managing general partner of River South Development, L.P. Due to the Authority's interest and participation in the partnership (through River South, LLC), Authority management considers the partnership to be a discretely presented component unit.

Cypress at Gardere, LP

Cypress at Gardere, GP LLC is the managing general partner of Cypress at Gardere, LP. Cypress at Gardere, LP has completed the development phases and is now considered to be a discretely presented component unit at September 30, 2023.

Brookstown Place Partnership; Cedar Pointe Subdivision Limited Partnership; Wesley Chapel Development, LP; EBRPHA Development 1, LP; EBRPHA Development 2, LP; EBRPHA Development 4, LP and River South Development, LP have December 31 year-ends. Financial activity for these discretely presented component units, for the year ended December 31, 2022, is reported separately in the financial statements and accompanying schedules in the 'Partnerships' column. A copy of the financial statements of each of these discretely presented component units for the year ended December 31, 2022 may be obtained by writing to The Housing Authority of the East Baton Rouge Parish, 4731 North Boulevard, Baton Rouge, Louisiana 70806.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting**

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 – 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 at the time liabilities are incurred. This required the 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.

The Authority has applied all applicable GASB pronouncements.

**Cash and Cash Equivalents**

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

**Accounts Receivable**

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other current and noncurrent accounts receivable consist of amounts due from affiliates for operating advances, and fees and HAP advances due from other housing authorities. Management uses the allowance method for amounts not deemed collectible.

**Prepaid Items and Inventory**

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

**Capital Assets**

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 revenues, expenses, and changes in net position. Estimated useful lives are as follows:

Buildings	20 Years
Improvements	10 Years
Furniture and Equipment	5 Years

**Accrued Compensated Absences**

It is the Authority’s policy to grant full time permanent employees vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Sick leave also accrues to full time employees to specified maximums. The employees are entitled to vacation leave balances at termination. Leave accrued but not yet paid as of September 30, 2023, is reported as a liability allocated between current and noncurrent.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Operating and Nonoperating Revenues and Expenses**

The Authority recognizes operating revenues and expenses as a result of providing low rent housing and other services. The principal operating revenues of the Authority consist of tenant rental charges, operating subsidies and fees received from the federal government and other grantor organizations, and other revenue received from ancillary operations such as maintenance charges to tenants, laundry operations and similar operations. Operating expenses include the costs of operating the Authority owned housing complexes, housing assistance payments to landlords, administrative expenses, and costs associated with providing program services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

These financial statements do not contain inter-program revenues and expenses for internal activity. The policy is to eliminate any material inter-program revenues and expenses for these financial statements.

**Indirect Costs Recovery**

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center and charges the programs management fees based on fee rates provided by the Department of HUD.

**Use of Estimates**

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



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

Certain assets including cash and investments may be classified in restricted net position on the statements of net position because their use is restricted for specific purposes. It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Net position is displayed in three components:

**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 resources when constraints are placed on the resource by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

**Unrestricted Net Position:** This component of net position consists of resources that do not meet the definition of "net investment in capital assets" or "restricted net position."

**NOTE 3 CASH DEPOSITS**

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

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

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 3 CASH DEPOSITS (CONTINUED)**

The Authority's cash and cash equivalents consist of cash held in interest and noninterest-bearing checking accounts and investment sweep accounts with varying interest rates up to 0.1%. Deposits with financial institutions are secured as follows:

	Book Balance	Bank Balance
Insured by FDIC	\$ 500,000	\$ 500,000
Invested in U.S. Treasury Obligations	206,554	206,554
Collateralized with Specific Securities in the Authority Name which are Held by the Financial Institution	4,246,428	4,246,428
Uncollateralized Deposits	46,419	609,024
Total	<u>\$ 4,999,401</u>	<u>\$ 5,562,006</u>

All investments are carried at cost plus accrued interest, which approximates market. 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.

**Partners for Progress, Incorporated**

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

**Partnerships**

As of December 31, 2022, the Partnerships had various checking, escrow and other deposits at various financial institutions. Accounts at these financial institutions were insured by the FDIC up to \$250,000 per Partnership, per financial institution. As of December 31, 2022, the Partnerships had \$1,948,866 of deposits in excess of federally insured limits. Wesley Chapel Development, LP had uninsured deposits of \$402,426, EBRPHA Development 1, LP had uninsured deposits of \$111,112, EBRPHA Development 2, LP had uninsured deposits of \$110,678, Cedar Pointe Subdivision, LP had uninsured deposits of \$772,143, and Cypress at Gardere, LP had uninsured deposits of \$552,507.

**NOTE 4 RESTRICTED CASH**

**Primary Government**

The Authority's restricted cash consisted of \$155,611 in tenant security deposits and \$101,701 restricted for emergency housing vouchers, \$309,219 of deposits related to the RAD conversion in business activities, \$559,000 of operating and replacement reserves held by the River South Phase I, and \$3,432 held by the COCC as of September 30, 2023.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 4 RESTRICTED CASH (CONTINUED)**

**Partnerships**

The Partnerships' restricted cash consisted of the following as of December 31, 2022:

Replacement Reserve	\$ 1,181,135
Operating Deficit Reserve	931,841
Real Estate, Tax, and Insurance Escrow	279,117
Guarantor Reserve	63,021
Debt Service Reserve	97,864
ACC Reserve	69,321
Tenant Security Deposits	156,814
Total Restricted Cash	<u>\$ 2,779,113</u>

**NOTE 5 ACCOUNTS RECEIVABLE – OTHER**

**Primary Government**

As of September 30, 2023, the Authority was due the following balances:

Accounts Receivable - HUD	\$ 2,280,424
Tenants Accounts Receivable, Net	173,485
Accounts Receivable - Other, Net of Allowance	648,955
Accounts Receivable - Pre-Development Costs	2,157,289
Total Accounts Receivable	<u>5,260,153</u>
Net Accounts Receivable	<u>\$ 5,260,153</u>

**Partners for Progress, Incorporated**

As of September 30, 2023, the Corporation was due the following balances:

Accounts Receivable - Costs	\$ 95,542
Less: Allowance for Doubtful Accounts	(95,542)
Total Accounts Receivable, Copper Oaks, LLC	<u>\$ -</u>
Accounts Receivable - River Lofts	\$ 144,744
Accounts Receivable - Cypress at Gardere	119,515
Accounts Receivable - Cypress at Asante	31,550
Accounts Receivable - Other Projects	31,895
Accounts Receivable - 2080 Ardentale	131,920
Accounts Receivable - North Blvd	109,884
Total Accounts Receivable - Other	<u>\$ 569,508</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 6 NOTES AND DEVELOPER FEES RECEIVABLE**

**Between the Authority and the Discretely Presented Component Units**

As of September 30, 2023, the Authority had the following outstanding notes, developer fees, and interest receivable balances due from the Partnerships:

<u>Description</u>		
Due from EBRPHA Development 1, LP (Willow Creek)		
Promissory Note due to EBRPHA Dated January 2012, Matures January 2052, 2.00% Interest	\$ 1,325,570	
Promissory Note due to EBRPHA (Second) Dated January 2012, Matures January 2052, 2.00% Interest	197,991	\$ 1,523,561
Due from EBRPHA Development 2, LP (Autumn Place)		
Promissory Note due to EBRPHA Dated January 2012, Matures January 2052, 2.00% Interest	1,266,000	
Promissory Note Due to EBRPHA (Second) Dated January 2012, Matures January 2052, 2.00% Interest	203,730	1,469,730
Cypress at Ardendale Phase 1, LP		
Promissory Note due to EBRPHA Dated April 2021, Matures April 2056, 8.00% Interest	1,734,166	1,734,166
Cypress at Ardendale Senior, LP		
Promissory Note due to EBRPHA Dated January 2023, Matures April 2058, 6.00% Interest	395,536	395,536
Due from EBRPHA Development 4, LP		
Promissory Note due to EBRPHA Dated September 2014, Matures September 2034, 2.94%	400,000	400,000
Due from Riversouth Development, LP		
Promissory Note due to EBRPHA Dated August 2017, Matures August 2057, 2.58%	794,806	794,806
Total Notes Receivable		\$ 6,317,799

These notes were loaned to the respective Partnerships to assist in the development of three low-income townhouse communities and the rehabilitation of an apartment complex and are secured with second mortgages against each Partnership's leasehold interest in the properties. The deferred developer fees were earned by providing managerial and administrative assistance during the construction of the three developments. During the fiscal year, the Authority earned \$135,693 in developer fees from the Partnerships. As of September 30, 2023, the Authority's share of the outstanding balances of the developer fee receivables due from the applicable partnerships amounted to \$16,456. Due to uncertainties regarding collectability, Authority management has elected to reserve the entire amount of the deferred developer fees receivable and to recognize income as funds are received.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 6 NOTES AND DEVELOPER FEES RECEIVABLE (CONTINUED)**

**Between the Partnerships and Partners for Progress, Incorporated**

Through the Corporation's wholly owned subsidiary entities (Partners for Progress Development Corporation, LLC; Cedar Pointe Development, LLC; Wesley Chapel Development, LLC; Hospital Plaza I, LLC; Colonial Courts I, LLC; Roosevelt Terrace, LLC; and Cypress at Gardere, LP) the Corporation has earned developer fees from each of the Partnerships for overseeing the construction and development of four apartment complexes and two townhouse communities. During the fiscal year, the Corporation received \$529,850 in developer fees from the Partnerships. As of September 30, 2023, the Corporation's estimated share of the outstanding balances of the developer fee receivables due from the applicable partnerships amounted to \$506,357. Due to uncertainties regarding collectability, Corporation management has elected to reserve the entire amount of the receivables, and to recognize income as funds are received.

See Note 8 for a breakout of developer fees due from the Partnerships to the Authority and Partners for Progress, Inc.

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

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 6 NOTES AND DEVELOPER FEES RECEIVABLE (CONTINUED)**

**Between the Partnerships and Partners for Progress, Incorporated (Continued)**

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

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

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

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 7 CAPITAL ASSETS**

**Primary Government**

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Nondepreciable Capital Assets:</b>					
Land	\$ 5,784,669	\$ 2,704,517	\$ -	\$ -	\$ 8,489,186
Construction in Progress	155,339	271,774	(7,426)	(103,362)	316,325
Total Nondepreciable Capital Assets	5,940,008	2,976,291	(7,426)	(103,362)	8,805,511
<b>Depreciable Capital Assets:</b>					
Buildings and Improvements	46,724,857	466,983	-	103,362	47,295,202
Furniture and Equipment	577,287	96,831	-	-	674,118
Total Depreciable Capital Assets	47,302,144	563,814	-	103,362	47,969,320
<b>Less: Accumulated Depreciation:</b>					
Buildings and Improvements	(37,867,371)	(1717,362)	-	-	(39,584,733)
Furniture and Equipment	-	-	-	-	-
Total Accumulated Depreciation	(37,867,371)	(1717,362)	-	-	(39,584,733)
Total Capital Assets Being Depreciated, Net	9,434,773	(1,153,548)	-	103,362	8,384,587
Capital Assets, Net	<u>\$ 15,374,781</u>	<u>\$ 1,822,743</u>	<u>\$ (7,426)</u>	<u>\$ -</u>	<u>\$ 17,190,098</u>

**Partners for Progress, Incorporated**

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Depreciable Capital Assets:</b>					
Land	\$ 292,500	\$ -	\$ -	\$ -	\$ 292,500
Furniture and Equipment	15,418	-	-	-	15,418
Total Capital Assets	307,918	-	-	-	307,918
<b>Less: Accumulated Depreciation</b>					
Furniture and Equipment	(15,418)	-	-	-	(15,418)
Total Capital Assets Being Depreciated, Net	292,500	-	-	-	292,500
Capital Assets, Net	<u>\$ 292,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292,500</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

**Partnerships**

A summary of the Partnerships' capital asset activity, for the year ended December 31, 2022 are as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Nondepreciable Capital Assets:					
Land	\$ 803,683	\$ -	\$ -	\$ -	\$ 803,683
Total Nondepreciable Capital Assets	803,683	-	-	-	803,683
Depreciable Capital Assets:					
Buildings and Improvements	58,868,503	20,376,757	-	-	79,245,260
Furniture and Equipment	3,725,184	570,702	-	-	4,295,886
Total Capital Assets	62,593,687	20,947,459	-	-	83,541,146
Less: Accumulated Depreciation	(17,956,941)	(2,171,119)	-	-	(20,128,360)
Total Capital Assets Being Depreciated, Net	44,636,746	18,776,040	-	-	63,412,786
Capital Assets, Net	<u>\$ 45,440,429</u>	<u>\$ 18,776,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,216,469</u>

**NOTE 8 NOTES PAYABLE**

In February of 2012, the Authority obtained a loan from Capital One Public Funding, LLC for \$3,461,000. The loan was issued to finance subsequent loans to EBRPHA Development 1, LP and EBRPHA Development 2, LP to assist in the development of two low-income townhouse communities. Principal and interest payments are paid out of the Authority's Capital Fund Program. The loan bears interest at a rate of 7.1% and matures in March of 2029. The Authority has pledged a first priority security interest to Capital One Public Finance, LLC in the Capital Fund Program grant funds to secure the loan. Interest expense incurred on the loan during the fiscal year was \$118,490. The outstanding balance as of September 30, 2023 was \$1,545,937.

Future projected payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2024	\$ 241,732	\$ 102,716	\$ 344,448
2025	259,465	84,983	344,448
2026	278,501	65,947	344,448
2027	298,929	45,519	344,448
2028	320,857	23,591	344,448
Thereafter	146,453	15,637	162,090
Total	<u>\$ 1,545,937</u>	<u>\$ 338,393</u>	<u>\$ 1,884,330</u>



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

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

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
CFFP Debt	\$ 1,771,900	\$ -	\$ (225,963)	\$ 1,545,937	\$ 241,732
Accrued Compensated Absences	224,058	-	(25,725)	198,333	20,320
Long-Term Liabilities	<u>\$ 1,995,958</u>	<u>\$ -</u>	<u>\$ (251,688)</u>	<u>\$ 1,744,270</u>	<u>\$ 262,052</u>

**Partners for Progress, Incorporated**

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

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

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partners for Progress, Incorporated (Continued)**

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

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

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

Future projected payments are as follows:

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships**

The Partnerships have incurred the following debts and respective accrued interest, as of December 31, 2022:

**Brookstown Place Partnership, ALPIC**

Permanent Mortgage Loan due to Enterprise Team, Inc., Dated February 2009, Matures March 2029, 7.03% Interest	\$ 859,356	
Accrued Interest Payable on Mortgage Loan	4,197	
Developer Fees due to Partners for Progress, Inc.	68,736	
Deferred Developer Fees due to Project Consultant	206,207	\$ 1,138,496

**Cedar Pointe Subdivision, LP**

Permanent Mortgage Loan due to Barings Multifamily Capital, LLC, 18-year loan term, 7.14% Interest	2,308,507	
Accrued Interest Payable on Mortgage Loan	14,322	2,322,829

**Wesley Chapel Development, LP**

Permanent Mortgage Loan due to Home Federal Bank, Dated July 2014, Matures August 2030, 6.84% Interest	1,478,367	
Accrued Interest Payable on Mortgage Loan	8,625	
Operating and Developer Fees Due to EBRPHA	119,237	
Nonrecourse Loan due to Partners for Progress, Inc. in the Amount of \$500,000, dated July 2014, Noninterest Bearing, Matures July 2044	500,000	
Deferred Developer Fees due to Partners for Progress, Inc.	23,523	
Deferred Developer Fees due to Project Consultant	47,759	
Tax Credit Assistance Loan due to the Louisiana Housing Corporation of \$1M, 3% Interest per Annum, Matures March 2041 (Annual Required Payments Depend on Excess LP Cash Flow s)	1,000,000	
Interest Payable on Tax Credit Assistance Loan	330,833	3,508,344

**EBRPHA Development 1, LP**

Permanent Mortgage Loan Dated October 2013 due to Capital One, 6.75% Interest, Matures October 2043	1,111,466	
Accrued Interest Payable on Mortgage Loan	6,315	
Subordinate Mortgage Loan (CFFP Loan) due to EBRPHA Dated January 2012, Matures February 2052, 2.00% Interest Compounded Annually	1,325,570	
Accrued Interest Payable on CFFP Loan due to EBRPHA	308,302	
Subordinate Mortgage due to EBRPHA (HA Loan) Dated January 2012, Matures January 2052, 2.00% Interest Compounded Annually	209,000	
Accrued Interest Payable on HA Loan due to EBRPHA	39,855	
Affordable Housing Program (AHP) Loan due to Capital One, N.A., Dated January 2012, of \$700K, 0.25% Interest Per Annum, Matures January 2053	700,000	
Accrued Interest Payable on AHP Loan	17,500	
Subordinate Mortgage Loan Due to the East Baton Rouge Redevelopment Authority of \$500K, Dated January 2012, 0% Interest, Matures January 2042 as of April 2021, due to Partners for Progress, Inc.	441,672	4,159,680

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

**EBRPHA Development 2, LP**

Permanent Mortgage Loan due to Capital One, Dated October 2013, 6.75% Interest, Matures October 2043	\$ 1,058,869	
Accrued Interest Payable on Mortgage Loan	6,016	
Subordinate Mortgage Loan (CFFP Loan) due to EBRPHA, Dated January 2012, Matures February 2052, 2.00% Interest	1,266,000	
Accrued Interest Payable on CFFP Loan due to EBRPHA	295,923	
Subordinate Mortgage Loan Due to EBRPHA (HA Loan) Dated January 2012, Matures January 2052, 2.00% Interest	209,000	
Accrued Interest Payable on HA Loan due to EBRPHA	45,585	
Affordable Housing Program (AHP) Loan due to Capital One, N.A., Dated January 2012 of \$700K, .25% Interest per Annum, Matures January 2053	700,000	
Accrued Interest Payable on AHP Loan	17,500	
Subordinate Mortgage Loan due to the East Baton Rouge Redevelopment Authority of \$500K, Dated January 2012, 0% Interest per Annum, Matures January 2042, As of April 2021, due to Partners for Progress, Inc.	441,672	\$ 4,040,565

**EBRPHA Development 4, LP**

Subordinate Mortgage Loan (HA Loan) due to EBRPHA Dated September 2014, Matures September 2034, 2.94% Interest	400,000	
Accrued Interest Payable on Promissory Note due to EBRPHA	108,018	
AHP Loan due to Partners for Progress, Inc. Dated September 2014, Matures September 2055, .25% Interest	480,200	
Accrued Interest Payable on AHP Loan due to Partners for Progress	9,994	
Deferred Developer Fees due to Partners for Progress, Inc.	5,486	
Deferred Developer Fees due to EBRPHA	16,456	
Deferred Developer Fees due to Project Sub-Developer	124,340	1,144,494

**River South Development, LP**

Permanent Mortgage Loan due to Home Federal Bank, dated August 2017, Matures September 2036, 6.14% Interest	2,846,982	
Accrued Interest Payable on Mortgage Loan	14,565	
CDBG Loan due Louisiana Housing Corporation dated August 2017, Matures August 2057, 2.58% Interest	233,964	
Accrued Interest Payable on CDBG Loan	25,751	
PHA Loan due to EBRPHA Dated August, 2017, Matures August 2057, 2.58% Interest	794,806	
Accrued Interest Payable on PHA Loan due to EBRPHA	109,721	
Deferred Developer Fees due to Partners for Progress, Inc.	119,905	4,145,694

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

**Cypress Gardere, LP**

Loan due to Home Bank NA, dated April 2021, Matures May 2038, 4.31% Interest	10,365,570	
Accrued Interest Payable on Home Bank Loan	70,951	
Loan due to Louisiana Housing Corp, dated April 2021, Matures April 2056, 0% Interest	3,328,319	
AHP Loan due to Partners for Progress, Inc dated April 2021, Matures April 2056, 0.5% Interest	750,000	
Accrued Interest Payable on AHP Loan due to Partners for Progress, Inc.	6,438	
Loan due to Partners for Progress, Inc dated April 2021, Matures April 2056, 8% interest	4,900,006	
Accrued Interest Payable on Loan due to Partners for Progress, Inc.	401,913	
Deferred Developer Fees due to Project Sub-Developer	536,170	
Deferred Developer Fees due to Partners for Progress, Inc.	288,707	20,648,074
Total Partnerships Debt		\$ 41,108,176

Future debt service obligations on the Partnerships' permanent mortgage loans and other capital debt detailed above and below are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2024	\$ 169,076	\$ 124,991	\$ 294,067
2025	180,864	458,877	639,741
2026	193,476	447,980	641,456
2027	206,970	436,304	643,274
2028	2,295,273	411,805	2,707,078
Thereafter	34,663,667	769,743	35,433,410
Total	\$ 37,709,326	\$ 2,649,700	\$ 40,359,026

The above does not include debt issuance costs for the Partnerships in the amount of \$146,578.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

Long-term liability and accrued interest activity for the year ended December 31, 2022 applicable to the Partnerships, was as follows:

	January 1, 2022	Increase	Decrease	December 31, 2022	Due Within One Year
Other Capital Debt - CDBG Loan	\$ 4,078,964	\$ -	\$ (516,681)	\$ 3,562,283	\$ -
Permanent Mortgages Payable	21,600,972	-	(157,1855)	20,029,117	134,912
Other Capital Debt	3,400,000	-	(116,656)	3,283,344	34,164
Other Capital Debt due to The HA of EBRP	9,854,376	6	-	9,854,382	-
Other Capital Debt due to Partners for Progress, Inc.	980,200	-	-	980,200	-
Deferred Developer Fees Payable	404,835	-	(26,529)	378,306	-
Deferred Developer Fees Payable to The HA of EBRP	83,093	-	(66,637)	16,456	-
Deferred Developer Fees Payable to Partners for Progress, Inc.	2,514,957	-	(1472,430)	1,042,527	-
Interest Payable	384,363	107,952	(1491)	490,824	124,991
Interest Payable due to The HA of EBRP	792,445	140,710	-	933,155	-
Interest Payable due to Partners for Progress, Inc.	7,552	410,793	-	418,345	-
Operating Advance due to The HA of EBRP	119,237	-	-	119,237	-
Long-Term Liabilities	<u>\$ 44,220,994</u>	<u>\$ 659,461</u>	<u>\$ (3,772,279)</u>	<u>\$ 41,108,176</u>	<u>\$ 294,067</u>

A summary of each Partnerships' capital debt, accrued interest and other noncurrent liability balances as of December 31, 2022 are as follows:

	Capital Debt	Developer Fees Payable	Accrued Interest Payable and Other	December 31, 2022 Balance	Due Within One Year
Brookstown Place	\$ 859,356	\$ 274,943	\$ 4,197	\$ 1,138,496	\$ 16,473
Cedar Pointe	2,308,507	-	14,322	2,322,829	54,816
Wesley Chapel Dev.	2,978,367	71,282	458,695	3,508,344	41,328
EBRPHA Dev. 1, LP	3,787,708	-	371,972	4,159,680	31,634
EBRPHA Dev. 2, LP	3,675,541	-	365,024	4,040,565	30,136
EBRPHA Dev. 4, LP	880,200	146,282	118,012	1,144,494	-
River South Development	3,875,752	119,905	150,037	4,145,694	48,729
Cypress Gardere	19,343,895	824,877	479,302	20,648,074	70,951
Total	<u>\$ 37,709,326</u>	<u>\$ 1,437,289</u>	<u>\$ 1,961,561</u>	<u>\$ 41,108,176</u>	<u>\$ 294,067</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 9 DEFERRED COMPENSATION PLAN**

The Authority provides deferred compensation benefits for all of its full-time employees through the State of Louisiana Public Employees Deferred Compensation Plan, a defined contribution plan. The plan is administered by Great West Retirement Services. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after up to twelve months of continuous service. The Authority contributes approximately 10.5% of the employee's eligible compensation, while the employees are not required to contribute to the plan. During fiscal year 2023, the Authority made the required contributions in the amount of \$227,725 and the employees contributed \$33,711. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately, upon participation in the plan.

**NOTE 10 RISK MANAGEMENT**

The 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 Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Authority has not had any significant reductions in insurance coverage, or any claims not reimbursed. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 11 ECONOMIC DEPENDENCY**

The Authority's operations are concentrated in the real estate market. The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The Authority receives a substantial amount of its support from the federal government in the form of subsidies and grants. If a significant reduction in the level of this support were to occur, it may have an effect on the Authority's programs and activities.

The table below lists out the revenue the Authority received and the percentage of that revenue to total revenue.

	Year Ended September 30, 2023	Percentage of Total Revenue
	<u>Total Revenue</u>	<u>Total Revenue</u>
Revenue from HUD:		
Section 8 Housing Choice Voucher Program - HAP	\$ 34,299,295	66.25%
Section 8 Housing Choice Voucher Program - Admin	3,805,181	7.35%
Public and Indian Housing	3,318,255	6.41%
Capital Fund Program	4,395,516	8.49%
Choice Neighborhood Implementation	1,874,518	3.62%
Section 8 Moderate Rehabilitation Single Room	108,020	0.21%
Emergency Housing Vouchers	398,594	0.77%
Total Revenue from HUD	<u>48,199,379</u>	<u>93.10%</u>
Non-HUD Funding:		
Component Unit - Blended - Subsidy from Authority	130,872	0.25%
Tenant Rental Revenue	1,808,998	3.49%
Other Income	1,114,377	2.15%
Portability-In - HAP	478,172	0.92%
Portability-In - Administrative	35,732	0.07%
Investment Income	2,043	0.00%
Total Non-HUD Funding	<u>3,570,194</u>	<u>6.90%</u>
Total Revenue	<u>\$ 51,769,573</u>	<u>100.00%</u>



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**Primary Government**

The Authority is a defendant in a lawsuit arising from claims for wrongful termination. Management believes the resolution of these matters will not have a material impact on the Authority's operations or will result in dismissal.

The Authority is party to various pending or threatened legal actions arising in the normal course of operations. The Authority is vigorously fighting certain claims made by a former employee. The outcome of these actions is not presently determinable.

**Partners for Progress, Incorporated**

The Corporation is the sole member of Wesley Chapel Development, LLC. Wesley Chapel Development, LLC is the general partner of Wesley Chapel Development, LP. In September 2011, Wesley Chapel Development, LP obtained a loan from the Louisiana Housing Finance Agency (LHFA) for \$1,000,000. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. The loan matures in March 2041. As of December 31, 2022, the principal balance owed on the loan was \$1,000,000. Corporation management is anticipating the Partnership to report a balance of \$1,000,000 as of September 30, 2023, upon issuance of the Partnership's 2023 financial statements. The Corporation has guaranteed payment of the notes to Home Federal Bank and LHFA. In the event that the partnership defaults, the loans could become a liability of the Corporation.

**NOTE 13 LAND LEASE**

The Authority entered into ground lease agreements with several limited partnerships that have constructed or are in the process of constructing rental home projects. The terms of the leases vary from 55 years to 99 years with an annual rent of \$1. The units must be used for public housing and are subject to public housing requirements.

**NOTE 14 RESTATEMENT OF NET POSITION**

There was a prior period adjustment related to the Authority's discretely presented component unit, Partners for Progress, Inc. to correct beginning net position for a notes receivable balance that was previously expensed.

	<u>Partners-for- Progress, Inc.</u>
Beginning Net Position at October 1, 2022, As Previously Stated	\$ 5,484,966
Prior Period Adjustment - Cypress at Gardere AHP Loan	750,000
Beginning Net Position, as Restated	<u>\$ 6,234,966</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION  
YEAR ENDED SEPTEMBER 30, 2023,  
EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Account Description	Project Total	Programs										Blended Component Unit			6.1 Component Unit - Discretely Presented		Total		
			4.DVP Disaster Voucher Program	4.IKE DHAP-IKE	4.870 Resident Opportunity & Supportive Services	4.871 Housing Choice Vouchers	4.249 Section 8 Moderate Rehabilitation Single Room Occupancy	1.Business Activities	4.886 Revitalization of Severely Distressed Public Housing	97.109 Disaster Housing Assistance Grant	4.EHV Emergency Housing Voucher	4.892 Choice Neighborhoods Planning Grants	EBRP Holdings, Inc. (River South Phase I)	Eliminations	Primary Government Subtotal	Partners-for-Progress, Inc.	Partnerships			
<b>ASSETS</b>																				
<b>CURRENT ASSETS</b>																				
Cash:																				
111	Unrestricted	\$ 23,241	\$ 557,775	\$ 890,295	\$ -	\$ 17,127,763	\$ 289,751	\$ 206,555	\$ -	\$ -	\$ 62,645	\$ -	\$ -	\$ 127,413	\$ -	\$ 3,870,438	\$ 12,166,988	\$ 1,534,366	\$ 6,621,502	
113	Other Restricted	-	-	-	-	-	-	309,219	-	-	10,170	-	-	3,432	559,000	973,352	-	2,622,299	3,595,651	
114	Tenant Security Deposits	149,736	-	-	-	-	-	-	-	-	-	-	-	-	5,875	155,611	-	56,814	312,425	
100	Total Cash	172,977	557,775	890,295	-	17,127,763	289,751	515,774	-	-	164,346	-	-	3,432	692,288	4,999,401	12,166,988	4,313,479	10,529,578	
Accounts and Notes Receivable:																				
22	Accounts Receivable - HUD Other Projects	136,640	-	-	-	127,259	24,920	-	-	-	-	-	842,605	-	-	2,280,424	-	-	2,280,424	
24	Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	Accounts Receivable - Miscellaneous	-	-	-	-	23,802	-	5,312	-	-	-	-	-	2,759,587	17,543	2,806,244	665,050	47,938	3,519,232	
26	Accounts Receivable - Tenants	279,465	-	-	-	33,860	-	-	-	-	98,150	-	-	851	42,326	4,812	54,998	567,324		
26.1	Allowance for Doubtful Accounts - Tenants	(146,165)	-	-	-	(3,386)	-	-	-	-	-	-	-	(85)	(238,841)	-	-	(238,841)		
26.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(95,542)		
20	Total Receivables, Net	269,940	-	-	-	1330,535	24,920	5,312	-	-	8,945	842,605	2,759,587	18,309	5,260,153	669,508	202,936	6,032,597		
Other Current Assets:																				
42	Prepaid Expenses and Other Assets	646,882	-	-	-	69,072	-	-	-	-	-	92,016	40,188	-	848,158	5,180	254,701	1,108,039		
43	Inventories	-	-	-	-	-	-	-	-	-	-	289,714	-	-	289,714	-	-	289,714		
43.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	(5,728)	-	-	(5,728)	-	-	(5,728)		
44	Inter Program Due From	3,571,589	-	-	-	-	-	20,975	-	-	39,034	-	3,073,099	(6,704,697)	-	-	-	-		
45	Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total Other Current Assets	4,218,471	-	-	-	69,072	-	20,975	-	-	39,034	-	3,439,101	40,188	(6,704,697)	1,122,144	5,180	254,701	1,382,025	
50	Total Current Assets	4,661,388	557,775	890,295	-	3,127,370	314,671	542,061	-	-	164,346	47,979	842,605	6,202,120	750,785	(6,704,697)	11,381,698	1,791,386	4,771,116	17,944,200
<b>NONCURRENT ASSETS</b>																				
Capital Assets:																				
61	Land	2,344,884	-	-	-	-	-	3,178,765	2,207,295	-	-	-	597,905	160,337	-	8,489,186	292,500	803,683	9,585,369	
62	Buildings	31,698,802	-	-	-	390,646	-	1,089,080	-	-	-	12,460,045	6,739,462	-	41,164,035	-	72,533,527	113,697,562		
64	Furniture and Equipment - Administration	265,410	-	-	-	205,074	-	8,197	-	-	-	162,320	2,117	-	674,118	6,418	4,295,886	4,985,422		
65	Leasehold Improvements	5,248,431	-	-	-	-	-	206,069	-	-	-	676,667	-	-	6,131,617	-	6,711,733	12,842,900		
66	Accumulated Depreciation	(3,135,132)	-	-	-	(560,861)	-	(1,024,123)	-	-	-	(1,762,060)	(4,886,537)	-	(39,584,733)	(6,418)	(20,128,360)	(59,728,511)		
67	Construction in Progress	102,524	-	-	-	-	-	213,801	-	-	-	-	-	-	316,325	-	-	316,325		
60	Total Capital Assets, Net	8,308,919	-	-	-	34,839	-	3,392,566	2,497,516	-	-	-	940,877	2,015,379	-	17,800,088	292,500	64,216,469	81,699,067	
71	Note, Loans and Mortgages Receivable - Noncurrent	400,000	-	-	-	-	-	3,386,376	-	-	-	-	2,129,702	401,721	-	6,317,799	7,513,544	-	13,831,343	
74	Other Assets	-	-	-	-	-	-	-	-	-	-	-	7,938	-	7,938	-	459,985	467,923		
80	Total Noncurrent Assets	8,708,919	-	-	-	34,839	-	6,778,942	2,497,516	-	-	-	2,129,702	1,350,536	2,015,379	23,516,835	7,806,044	64,676,454	95,998,333	
90	Total Assets	\$ 13,370,307	\$ 557,775	\$ 890,295	\$ -	\$ 3,147,209	\$ 314,671	\$ 7,321,003	\$ 2,497,516	\$ -	\$ 164,346	\$ 47,979	\$ 2,972,307	\$ 7,552,656	\$ 2,766,164	\$ (6,704,697)	\$ 34,897,533	\$ 9,597,430	\$ 69,447,570	\$ 113,942,533

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023  
EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Account Description	Programs											Blended Component Unit		6.1 Component Unit - Discretely Presented			Total			
		Project Total	4.DVP Disaster Voucher Program	4.IKE DHAP-IKE	4.870 Resident Opportunity & Supportive Services	4.871 Housing Choice Vouchers	4.249 Section 8 Moderate Rehabilitation Single Room Occupancy	18 Business Activities	4.886 Revitalization of Severely Distressed Public Housing	97.109 Disaster Housing Assistance Grant	4.EHV Emergency Housing Voucher	State/Local	4.892 Choice Neighborhoods Planning Grants	COCC	EBRP Holdings, Inc. (River South Phase I)	Eliminations	Primary Government Subtotal		Partners-for-Progress, Inc.	Partnerships	
<b>LIABILITIES AND NET POSITION</b>																					
<b>CURRENT LIABILITIES</b>																					
312	Accounts Payable <= 90 Days	\$ 15,184	\$ -	\$ -	\$ -	\$ 55,208	\$ -	\$ 5,312	\$ -	\$ -	\$ -	\$ -	\$ 2,682	\$ 22,046	\$ 24,128	\$ 2,639	\$ -	\$ 480,499	\$ 11,03	\$ 216,534	\$ 708,136
321	Accrued Wage/Payroll Taxes Payable	19,713	-	-	-	3,126	712	-	-	-	-	-	-	2,657	97,599	212	-	152,159	4,021	-	156,180
322	Accrued Compensated Absences - Current Portion	3,926	-	-	-	10,184	68	-	-	-	-	-	232	128	908	4,614	260	20,320	1219	26,007	47,546
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	124,991	124,991
331	Accounts Payable - HUD PHA Programs	22,334	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,334	-	-	22,334
333	Accounts payable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	149,736	-	-	-	-	-	-	-	-	-	-	-	-	-	5,875	-	155,611	-	155,039	310,650
342	Unearned Revenues	39,429	-	-	-	3,450	-	-	-	-	-	-	80,470	39	-	-	-	123,388	-	147,163	147,163
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Reven	241,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	241,732	292,500	19,076	703,308
345	Other Current Liabilities	42,478	-	-	-	-	-	-	-	-	-	-	-	-	-	23,802	-	69,870	2,157,289	143,729	3,664,448
346	Accrued liabilities - Other	136,640	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136,640	3,196	138,967	278,803
347	Inter Program - Due To	-	-	-	-	335,605	125	21,057	907,627	-	-	-	19	-	954,355	4,477,528	8,381	(6,704,697)	-	-	-
348	Loan Liability - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	<b>Total Current Liabilities</b>	<b>807,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>435,713</b>	<b>905</b>	<b>26,369</b>	<b>907,627</b>	<b>-</b>	<b>-</b>	<b>80,721</b>	<b>6,439</b>	<b>979,966</b>	<b>4,820,969</b>	<b>41,169</b>	<b>(6,704,697)</b>	<b>1,402,553</b>	<b>2,469,328</b>	<b>2,291,678</b>	<b>6,163,559</b>
<b>NONCURRENT LIABILITIES</b>																					
351	Long-Term Debt, Net of Current - Capital	1,304,205	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,304,205	500,200	39,376,820	41,181,225
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	309,219	-	-	-	-	-	-	-	-	-	309,219	-	166,592	475,811
354	Accrued Compensated Absences - Noncurrent	30,462	-	-	-	9,165	65	-	-	-	-	-	2,087	1157	8,173	4,152	2,339	178,013	10,976	-	188,989
355	Loan Liability - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	<b>Total Noncurrent Liabilities</b>	<b>1,334,667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,165</b>	<b>65</b>	<b>309,219</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,087</b>	<b>1,157</b>	<b>8,173</b>	<b>4,152</b>	<b>2,339</b>	<b>-</b>	<b>1,791,437</b>	<b>511,176</b>	<b>39,543,412</b>	<b>41,646,025</b>
300	<b>Total Liabilities</b>	<b>2,142,039</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>527,367</b>	<b>1,520</b>	<b>335,588</b>	<b>907,627</b>	<b>-</b>	<b>-</b>	<b>82,808</b>	<b>7,596</b>	<b>988,139</b>	<b>4,862,495</b>	<b>43,508</b>	<b>(6,704,697)</b>	<b>3,193,990</b>	<b>2,980,504</b>	<b>41,835,090</b>	<b>48,009,584</b>
<b>NET POSITION</b>																					
508.4	Net Investment in Capital Assets	6,762,982	-	-	-	34,839	-	3,392,566	2,497,518	-	-	-	-	-	940,877	2,015,379	-	15,644,161	-	24,670,573	40,311,734
511.1	Restricted	-	-	-	-	-	-	309,219	-	-	-	2,123	-	-	3,432	559,000	-	892,882	-	2,507,299	3,400,181
512.4	Unrestricted	4,465,286	557,775	890,295	-	2,585,003	313,151	3,283,630	(907,627)	-	60,307	40,383	1,984,168	1,745,852	448,277	-	-	15,166,500	6,616,926	434,608	22,216,034
513	<b>Total Net Position</b>	<b>11,228,268</b>	<b>557,775</b>	<b>890,295</b>	<b>-</b>	<b>2,619,842</b>	<b>313,151</b>	<b>6,985,415</b>	<b>1,589,891</b>	<b>-</b>	<b>81,538</b>	<b>40,383</b>	<b>1,984,168</b>	<b>2,690,161</b>	<b>2,722,656</b>	<b>-</b>	<b>(3,170,354)</b>	<b>6,616,926</b>	<b>27,612,480</b>	<b>65,932,949</b>	
600	<b>Total Liabilities and Net Position</b>	<b>\$ 13,370,307</b>	<b>\$ 557,775</b>	<b>\$ 890,295</b>	<b>\$ -</b>	<b>\$ 3,147,209</b>	<b>\$ 314,671</b>	<b>\$ 7,321,003</b>	<b>\$ 2,497,518</b>	<b>\$ -</b>	<b>\$ 164,346</b>	<b>\$ 47,979</b>	<b>\$ 2,972,307</b>	<b>\$ 7,552,656</b>	<b>\$ 2,766,164</b>	<b>\$ (6,704,697)</b>	<b>\$ 34,897,533</b>	<b>\$ 9,597,430</b>	<b>\$ 69,447,570</b>	<b>\$ 113,942,533</b>	

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
 FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 YEAR ENDED SEPTEMBER 30, 2023  
 EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Account Description	Project Total	Programs											Blended Component Unit			6.1 Component Unit - Discretely Presented			Total						
			4.DVP Disaster Voucher Program	4.870 Resident Opportunity & Supportive Services	4.871 Housing Choice Vouchers	4.249 Section 8 Moderate Rehabilitation Single Room Occupancy	1 Business Activities	4.886 Revitalization of Severely Distressed Public Housing	97.109 Disaster Housing Assistance Grant	4.4HV Emergency Housing Voucher	State/Local	4.892 Choice Neighborhoods Planning Grants	COCC	EBRP Holdings, Inc. (Riversouth Phase I)	Eliminations	Primary Government Subtotal	Partners-for-Progress, Inc.	Partnerships								
<b>REVENUE</b>																										
70300	Net Tenant Rental Revenue	\$ 1,70,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,200	\$ 52,254	\$ -	\$ 180,298	\$ -	\$ 3,437,178	\$ 5,240,176		
70400	Tenant Revenue - Other	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,000	-	-	25,362	3,1362		
70500	Total Tenant Revenue	1,76,544	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,200	52,254	-	180,898	-	3,462,540	5,271,538		
70600	HUD PHA Operating Grants	4,203,392	-	-	-	38,104,476	108,020	-	-	-	-	-	398,594	-	1,874,518	-	-	-	-	-	-	-	44,689,000	-	44,689,000	
70610	Capital Grants	3,510,379	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,510,379	-	3,510,379	
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70730	Book-keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70800	Other Government Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71100	Investment Income - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71400	Fraud Recovery	-	-	-	-	39,214	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71500	Other Revenue	156,606	-	-	-	551,662	-	637,628	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70000	Total Revenue	9,586,921	-	-	-	38,695,352	108,020	637,628	-	-	-	-	398,594	-	103,827	-	-	-	-	-	-	-	-	-	-	-
<b>EXPENSES</b>																										
Administrative:																										
91100	Administrative Salaries	307,441	-	-	-	1,389,770	27,873	-	-	-	-	-	-	-	4,244	47,143	939,042	17,700	-	-	-	2,833,213	168,930	316,678	3,320,821	
91200	Auditing Fees	102,740	-	-	-	88,769	506	-	-	-	-	-	-	-	-	-	9,948	1,811	-	-	-	203,774	11,959	60,006	275,739	
91300	Management Fee	1,053,061	-	-	-	766,206	3,012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91310	Book-Keeping Fee	59,139	-	-	-	341,550	1,863	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91400	Advertising and Marketing	-	-	-	-	23,511	-	82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91500	Employee Benefit Contributions - Administration	35,563	-	-	-	184,210	4,867	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91600	Office Expenses	7,452	-	-	-	78,590	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91700	Legal Expense	46,643	-	-	-	18,114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91800	Travel	4,119	-	-	-	2,061	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91900	Other	229,362	-	-	-	280,637	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91000	Total Operating - Administrative	1,845,520	-	-	-	3,153,418	38,141	80	-	-	-	-	10,669	-	4,841	-	52,786	1,881,026	25,115	-	-	(2,235,520)	5,236,076	362,235	878,318	6,476,629
92000	Asset Management Fee	10,1520	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tenant Services:																										
92100	Tenant Services - Salaries	68,286	-	-	-	1,835	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
92300	Employee Benefit Contributions - Tenant Services	5,296	-	-	-	226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
92400	Tenant Services - Other	50,900	-	-	-	-	-	-	-	-	-	-	31,528	-	-	-	-	-	-	-	-	-	-	-	-	
92500	Total Tenant Services	124,482	-	-	-	2,061	-	-	-	-	-	-	31,528	-	-	-	-	-	-	-	-	-	-	-	-	
Utilities:																										
93100	Water	100,739	-	-	-	140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50	30,468	132,750
93200	Electricity	593,325	-	-	-	3,359	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,493	97,472	726,278
93300	Gas	42,374	-	-	-	524	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
93600	Sewer	353,840	-	-	-	354	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
93800	Other	12,824	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
93000	Total Utilities	1,303,102	-	-	-	4,377	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
COMBINING SCHEDULE OF THE DISCRETELY PRESENTED COMPONENT UNITS  
YEAR ENDED DECEMBER 31, 2022**

	Brookstown Place Partnership, ALPIC	Cedar Pointe Subdivision, L.P.	Wesley Chapel Development, L.P.	EBRPHA Development 1, L.P.	EBRPHA Development 2, L.P.	EBRPHA Development 4, L.P.	River South Development, L.P.	Cypress at Gardere, L.P.	Total
<b>ASSETS</b>									
Current Assets	\$ 129,363	\$ 1,416,809	\$ 802,829	\$ 433,720	\$ 441,287	\$ 376,482	\$ 256,644	\$ 913,982	\$ 4,771,116
Other Assets	-	3,812	68,242	51,459	49,885	17,077	19,178	77,730	459,985
Capital Assets	2,889,828	8,411,142	6,905,376	6,103,634	6,109,312	4,571,288	8,533,562	20,692,327	64,216,469
Total Assets	<u>\$ 3,019,191</u>	<u>\$ 9,831,763</u>	<u>\$ 7,776,447</u>	<u>\$ 6,588,813</u>	<u>\$ 6,600,484</u>	<u>\$ 4,964,847</u>	<u>\$ 8,981,986</u>	<u>\$ 21,684,039</u>	<u>\$ 69,447,570</u>
<b>LIABILITIES</b>									
Current Liabilities	\$ 51,106	\$ 112,533	\$ 184,595	\$ 97,245	\$ 92,450	\$ 43,203	\$ 108,660	\$ 241,498	\$ 931,290
Noncurrent Liabilities	1,171,323	2,308,404	3,467,016	4,128,046	4,010,429	1,144,494	4,096,965	20,577,123	40,903,800
Total Liabilities	1,222,429	2,420,937	3,651,611	4,225,291	4,102,879	1,187,697	4,205,625	20,818,621	41,835,090
<b>NET POSITION</b>									
Net Investment in Capital Assets	2,030,472	6,102,635	3,476,939	1,950,269	2,074,763	3,573,076	4,522,338	940,081	24,670,573
Restricted Net Position	82,876	587,006	703,737	360,515	359,919	330,794	82,452		2,507,299
Unrestricted Net Position	(316,586)	721,185	(55,840)	52,738	62,923	(126,720)	171,571	(74,663)	434,608
Total Net Position	<u>1,796,762</u>	<u>7,410,826</u>	<u>4,124,836</u>	<u>2,363,522</u>	<u>2,497,605</u>	<u>3,777,150</u>	<u>4,776,361</u>	<u>865,418</u>	<u>27,612,480</u>
Total Liabilities and Net Position	<u>\$ 3,019,191</u>	<u>\$ 9,831,763</u>	<u>\$ 7,776,447</u>	<u>\$ 6,588,813</u>	<u>\$ 6,600,484</u>	<u>\$ 4,964,847</u>	<u>\$ 8,981,986</u>	<u>\$ 21,684,039</u>	<u>\$ 69,447,570</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**COMBINING SCHEDULE OF THE DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

	Brookstown Place Partnership, ALPIC	Cedar Pointe Subdivision, L.P.	Wesley Chapel Development, L.P.	EBRPHA Development 1, L.P.	EBRPHA Development 2, L.P.	EBRPHA Development 4, L.P.	River South Development, L.P.	Cypress at Gardere, L.P.	Total
<b>OPERATING REVENUES</b>									
Tenant Revenue	\$ 296,356	\$ 925,635	\$ 554,334	\$ 421,587	\$ 422,455	\$ 258,171	\$ 489,968	\$ 94,034	\$ 3,462,540
Other Revenue	-	-	210	-	-	-	-	2,040,389	2,040,599
Total Operating Revenue	296,356	925,635	554,544	421,587	422,455	258,171	489,968	2,134,423	5,503,139
<b>OPERATING EXPENSES</b>									
Administrative	63,649	156,986	128,528	86,017	100,200	106,284	111,590	125,064	878,318
Utilities	3,948	10,697	49,476	19,614	22,679	33,752	20,145	24,738	185,049
Maintenance	88,363	256,718	158,662	160,288	181,997	125,565	90,353	24,765	1,086,711
Insurance Premiums	53,526	123,535	94,351	71,534	73,587	64,265	66,164	108,600	655,562
Protective Services	-	-	-	-	-	-	-	-	-
Other General Expense	36,299	61,774	13,260	7,539	6,716	4,776	11,258	22,1650	363,272
Depreciation Expense	123,956	347,395	287,499	328,094	322,735	185,401	318,942	257,397	2,171,419
Total Operating Expenses	369,741	957,105	731,776	673,086	707,914	520,043	618,452	762,214	5,340,331
Operating Income (Loss)	(73,385)	(31,470)	(177,232)	(251,499)	(285,459)	(261,872)	(128,484)	1,372,209	162,808
<b>NONOPERATING REVENUES (EXPENSES)</b>									
Investment Income	73	1,860	789	1,449	1,446	1,099	98	-	6,814
Interest Expense	(64,367)	(175,306)	(138,805)	(116,262)	(111,189)	(15,732)	(209,599)	(506,791)	(1,338,051)
Total Nonoperating Revenue (Expenses)	(64,294)	(173,446)	(138,016)	(114,813)	(109,743)	(14,633)	(209,501)	(506,791)	(1,331,237)
Increase (Decrease) in Net Position	(137,679)	(204,916)	(315,248)	(366,312)	(395,202)	(276,505)	(337,985)	865,418	(1,168,429)
Net Position - Beginning of Year December 31, 2021	1,934,441	7,615,742	4,440,084	2,729,834	2,892,807	4,053,655	5,114,346	-	28,780,909
<b>NET POSITION - END OF YEAR DECEMBER 31, 2022</b>	<u>\$ 1,796,762</u>	<u>\$ 7,410,826</u>	<u>\$ 4,124,836</u>	<u>\$ 2,363,522</u>	<u>\$ 2,497,605</u>	<u>\$ 3,777,150</u>	<u>\$ 4,776,361</u>	<u>\$ 865,418</u>	<u>\$ 27,612,480</u>



**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  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of The Housing Authority of East Baton Rouge Parish (the Authority), as of and for the year ended September 30, 2023, except for the discretely presented component units with year-end of December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 30, 2024.

Our report includes a reference to other auditors who audited the financial statements of all discretely presented component units, except for Partners for Progress, Inc. as described in our report on Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of Cypress at Gardere, L.P. were not audited in accordance with *Government Auditing Standards*.

**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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.



A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

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


As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under the Louisiana Legislative Auditor's *Louisiana Governmental Audit Guide*, which is described in the accompanying schedule of findings and questioned costs as item 2023-002.

### ***The Authority's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on Authority's response to the findings 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
May 30, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited the Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of East Baton Rouge Parish's (the Authority's) major federal programs for the year ended September 30, 2023. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Qualified Opinion on Housing Voucher Cluster***

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

***Unmodified Opinions on Public and Indian Housing and Choice Neighborhoods Implementation Grants***

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

***Basis for Qualified and Unmodified Opinions***

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

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

*Matters Giving Rise to Qualified Opinion on Housing Voucher Cluster*

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding Assistance Listing No. 14.871 Housing Voucher Cluster as described in finding number 2023-005 for Eligibility.

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-003, 2023-004, 2023-006, 2023-007 and 2023-008. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-005 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003, 2023-004, 2023-006, 2023-007 and 2023-008 to be significant deficiencies.

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

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish

*Government Auditing Standards* requires the auditor to perform limited procedures the Authority's response to internal control over compliance findings identified in our audit 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 compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Lakeland, Florida  
May 30, 2024

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2023**

Federal Grantor Program	Assistance Listing Number	Federal Expenditures	Passed Through to Subrecipients
<b>Direct Federal Assistance</b>			
<u>United States Department of Housing and Urban Development</u>			
Public and Indian Housing	14.850	\$ 3,318,255	\$ -
Public Housing Capital Fund	14.872	4,395,516	-
COVID-19 Emergency Housing Vouchers	14.871	398,594	-
Housing Choice Voucher Program	14.871	38,104,476	-
Total Housing Voucher Cluster		38,503,070	-
Choice Neighborhoods Implementation Grants	14.889	1,874,518	-
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	108,020	-
Total Direct Federal Assistance		48,199,379	-
Total Federal Assistance		\$ 48,199,379	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2023**

**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 September 30, 2023. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**NOTE 3 INDIRECT COSTS**

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

**NOTE 4 HOUSING VOUCHER CLUSTER**

In accordance with HUD regulations, HUD considers the Annual Budget Authority for the Section 8 Housing Voucher Cluster, Assistance Listing Number. 14.871, to be considered an expenditure for the purposes of this schedule. Therefore, the amount in this schedule is the total amount received directly from HUD and not the total expenditures paid by the Authority.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2023**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified?     X     Yes            No
  - Significant deficiency identified?     X     Yes            None Reported
3. Noncompliance material to financial statements noted?            Yes     X     No

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness identified?     X     Yes            No
  - Significant deficiency identified?     X     Yes            No
2. Type of auditors’ report issued on compliance for major federal programs: 14.871 Qualified, 14.850 and 14.889 Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?     X     Yes            No

**Identification of Major Federal Programs**

**Assistance Listing Numbers**

14.871  
14.850  
14.889

**Name of Federal Program or Cluster**

Housing Voucher Cluster  
Low Rent Public Housing  
Choice Neighborhoods Implementation Grant

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,445,981

Auditee qualified as low-risk auditee?

           Yes     X     No



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section II – Financial Statement Findings***

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**2023 – 001 – Financial Reporting**

Type of Finding: Material Weakness in Internal Control over Financial Reporting

**Condition:** There were adjusting journal entries provided by Management during the course of the audit as well as multiple iterations of the trial balance being audited. Additionally, the SEFA prepared by management was not complete and did not agree to the final trial balance. This is indicative of a lack of internal controls over the financial reporting and financial close processes.

Adjustment required, and errors noted include the following:

- Correction entries for material transactions impacting cash
- Correction entries for material transactions impacting accounts receivable
- Correction entries for material transactions impacting prepaid assets
- Correction entries for material transactions impacting interprogram due to and due from
- Correction entries for material transactions impacting capital assets, including buildings, accumulated depreciation, and construction in progress
- Correction entries for material transactions impacting notes receivable
- Correction entries for material transactions impacting accounts payable
- Correction entries for material transactions impacting salaries and benefits expenses and accruals
- Correction entries for material transactions impacting HUD revenues, receivables and payables
- Correction entries for material transactions impacting unearned revenues
- Correction entries for material transactions impacting long-term debt
- Correction entries for material transactions impacting net position
- Correction entries for material transactions impacting other revenue
- Correction entries for material transactions impacting expenses
- Correction entries for material transactions impacting transfers
- Accounts payable were not reconciled as of fiscal year end
- Revolving fund was not properly reconciled between programs as of fiscal year end, resulting in a large payable from COCC to public housing
- Corrections to the schedule of expenditure of federal awards (SEFA)

**Criteria or Specific Requirement:** The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

2 CFR part 200.303 require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Internal Control-Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission, provides a framework for organizations to design, implement, and evaluate control that will facilitate compliance with the requirements of Federal laws, regulations, and program compliance requirements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section II – Financial Statement Findings (Continued)***

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2 CFR Subpart D 200.302 (1) and 200.303 (a) stipulates that the auditee must identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal programs and award identification shall include, as applicable, the Assistance Listing Number title and number, Federal award identification number and year, name of Federal agency, and name of the pass-through entity; establish and maintain effective internal control over Federal award that provides reasonable assurance that the auditee is managing Federal awards in compliance with Federal statutes, regulation, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Controller General of the United State and the "Internal Control Integrated Framework", issued by the Committee on Sponsoring Organizations of the Treadway Commission (COSO).

**Effect:** Ineffective controls over the financial reporting process could result in inaccurate account balances that require a restatement, significant number of audit adjustments or a lack of timely and accurate financial information. Inaccurate reporting to HUD could adversely affect the Authority's funding and result in decision making based off of incorrect information.

**Cause:** The Authority did not properly establish and implement sufficient internal controls over financial reporting to ensure the timely and accurate recording of financial transactions.

**Repeat Finding:** The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-001.

**Recommendation:** The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority review their current procedures for reconciliations and monthly/year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate to ensure accurate and timely financial reporting.

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section II – Financial Statement Findings (Continued)***

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**2023 – 002 – Delay in Issuance of Financial Reporting**

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

**Condition:** The audit report was completed after the LLA statutory deadline of March 31 of the year following the fiscal year-end. Additionally, the unaudited financial data schedule was submitted to HUD's REAC system after the statutory deadline of 60 days after the Authority's fiscal year end.

**Criteria or Specific Requirement:** State Law requires the audit report be completed and submitted to the Legislative Auditor by March 31 of the year following the fiscal year end.

The Uniform Financial Reporting Standards (24 CFR section 5.801) require Public Housing Authorities (PHAs) to submit timely GAAP-based unaudited financial information electronically to HUD via the Real Estate Assessment Center (REAC) within 60 days of the PHAs fiscal year end.

**Effect:** The Authority is not compliant with State Law.

**Cause:** The audit report was delayed due to significant staffing turnover at the Authority that resulted in additional processing time to handle audit requests.

**Repeat Finding:** The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-011.

**Recommendation:** The Authority should ensure there is enough staffing to meet the demands of financial reporting requirements.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the finding. Now that staff is in place and working on setting up processes that should cut year end prep considerably and allow to get the audit completed in a timely manner.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2023 – 003– Special Tests – Annual HQS and Quality Control Inspections**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2023

Award Period: 10/1/22-9/30/23

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or Specific Requirement:** The PHA must inspect the unit leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)).

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Condition:** During testing, it was noted that the Authority did not have adequate internal controls designed to ensure compliance with failed HQS inspection requirements.

**Questioned Costs:** None

**Context:** During testing of a sample of 60 units for annual HQS inspections and 26 units for HQS quality control (QC) re-inspections, it was noted that 13 files did not comply with compliance requirements.

- 3 instances where the housing authority failed to perform biennial inspections of a unit.
- 10 instances where the housing authority failed to conduct the quality control re-inspection within 90 days of the initial inspection.

**Cause:** The Authority did not sufficiently monitor staff and internal controls to ensure compliance with HQS inspection requirements.

**Effect:** The Authority is not in compliance with federal regulations regarding HQS inspections.

**Repeat Finding:** No

**Recommendation:** We recommend that management review their controls for conducting HQS biennial and quality control re-inspections and ensure compliance standards are met.

**Views of Responsible Officials:** There is no disagreement with the audit finding. Previously, staff used a 90-day window to select Quality Control samples. Doing so caused some QC inspections to be completed past the regulatory time period. Going forward, staff are selecting the sample size from a 45-day window. This allows sufficient time to complete the QC inspection within the regulatory time period.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2023 – 004 – Special Tests – Top of the Waiting List**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2023

Award Period: 10/1/22-9/30/23.

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or Specific Requirement:** The PHA must have written policies in its HCVP administrative plan for selecting applicants from the waiting list and PHA documentation must show that the PHA follows these policies when selecting applicants for admission from the waiting list. Except as provided in 24 CFR section 982.203 Special admission (non-waiting list), all families admitted to the program must be selected from the waiting list. "Selection" from the waiting list generally occurs when the PHA notifies a family whose name reaches the top of the waiting list to come in to verify eligibility for admission (24 CFR sections 5.410, 982.54(d), and 982.201 through 982.207).

Per Section 16-III.B. Informal Reviews, Scheduling and Informal Review the PHA policy states "A request for an informal review must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's denial of assistance.

The PHA must schedule and send written notice of the informal review within 30 business days of the family's request".

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls designed to ensure compliance with waiting listing requirements. Per the Authority's Administrative Plan, when an applicant requests informal review, the authority must send written notice of the informal review within 30 days of the applicant's request.

**Questioned Costs:** None

**Context:** During testing of a sample of 40 tenant files, it was noted that 1 file did not comply with compliance requirements.

- 1 file where the housing authority failed to grant informal review at applicant request.

**Cause:** The Authority does not have internal controls to ensure compliance with the waiting list requirements. The Authority is behind schedule on scheduling informal reviews due to pandemic and office being closed.

**Effect:** The Authority is not in compliance with their administrative plan and HUD requirements.

**Repeat Finding:** The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-003.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Recommendation:** We recommend that the Authority reviews their standard procedures to ensure requests for informal reviews are granted and notified to the applicant within 30 days of the receipt of the request.

**Views of Responsible Officials:** There is no disagreement with the audit finding. The Agency hired a dedicated Hearing Officer following last year’s audit. Unfortunately, during the period in question, the Hearing Officer went on maternity leave and then subsequently left the position resulting in a delay in completing hearings and reviews. The Agency has since contracted with a 3rd party to conduct hearings and reviews in a timely manner.

**2023 – 005 – Eligibility**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2023

Award Period: 10/1/22-9/30/23

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance (Modified Opinion)

**Criteria or Specific Requirement:** Most PHAs devise their own application forms that are filled out by the PHA staff during an interview with the tenant. The head of household signs (a) a certification that the information provided to the PHA is correct; (b) one or more release forms to allow the PHA to get information from third parties; (c) a federally prescribed general release form for employment information; and (d) a privacy notice. Under some circumstances, other members of the family may be required to sign these forms (24 CFR sections 5.212, 5.230, and 5.601 through 5.615).

The PHA must do the following:

- (1) As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 960.259).
- (2) For both family income examinations and reexaminations, obtain and document in the family file third party verification of (a) reported family annual income, (b) the value of assets, (c) expenses related to deductions from annual income, and (d) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 960.259).
- (3) Determine income eligibility and calculate the tenant’s rent payment using the documentation from third party verification in accordance with 24 CFR Part 5, Subpart F (24 CFR sections 5.601 et seq., and 24 CFR sections 960.253, 960.255, and 960.259).
- (4) Select tenants from the public housing waiting list (see III.N.2, “Special Tests and Provisions – Public Housing Waiting List”) (24 CFR sections 960.206 and 960.208).

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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(5) Reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third party verification (24 CFR sections 960.253, 960.257, and 960.259).

(a) The Rental Demonstration program prohibits PHAs from rescreening or requiring a tenant recertification due solely to a RAD conversion. However, this requirement does not eliminate the normally scheduled recertification (normally annually). Recertifications required to be performed as part of the normal tenant recertification process that occur after the RAD conversion, but before the end of the calendar year, will be conducted under the selected conversion program (PBV or PBRA) and not Public Housing. These recertifications are to be conducted to ensure that tenant payments are appropriate under the new program. Any testing that results in an audit finding should be a finding of the PBV or PBRA program and not of the public housing program.

(b) Eligible beneficiaries are lower income families, which include citizens or eligible immigrants. “Families” include, but are not limited to, (1) a family with or without children; (2) an elderly family (head, spouse, or sole member 62 years or older); (3) near-elderly family (head, spouse, or sole member 50 years old but less than 62 years old); (4) a disabled family; (5) a displaced family; (6) the remaining member of a tenant family; or (7) a single person who is not elderly, near-elderly, displaced, or a person with disabilities.

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls designed to ensure compliance with eligibility requirements.

**Questioned Costs:** \$7,936

**Context:** During our testing of a sample of 60 tenant files, it was noted that 20 files did not comply with compliance requirements.

- 1 instance where the income reported on the 50058 were not supported within the tenant file.
- 2 instances where the expenses reported on the 50058 were not supported within the tenant file.
- 3 instances where the housing authority failed to calculate the correct HAP/TAP
- 19 instances where the housing authority did not review the family income, assets and expenses on an annual basis.

**Cause:** The Authority failed to provide adequate monitoring and oversight to ensure compliance with HUD rules and regulations, as well as their administrative policy.

**Effect:** The Authority is not in compliance with federal regulations regarding eligibility, including the calculation of tenant rent, HAP and verification of the tenants income.

**Repeat Finding:** The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-004.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Recommendation:** We recommend that management review their controls over recertifications and ensure compliance standards for eligibility of tenants and HAP calculations are met. We also recommend management should designate one person to review a sample of the files that have been recertified each month. The purpose of the review is to determine if the tenant files were prepared in accordance with internal policies and verify the compliance deficiencies have been corrected.

**Views of Responsible Officials:** There is no disagreement with the audit finding. Following CLA's recommendation, SVP of Housing Choice will audit a random sample of 10 files on a monthly basis. Agency working with Human Resources contractor to fill open staff positions

**2023 – 006 – Reporting – PIC**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2023

Award Period: 10/1/22-9/30/23

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or Specific Requirement:** HUD-50058, Family Report (OMB No. 2577-0083) – The PHA is required to submit this form electronically to HUD each time the PHA completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family. The PHA must also submit the Family Report when a family ends participation in the program or moves out of the PHA's jurisdiction under portability (24 CFR Part 908 and 24 CFR section 982.158).

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls designed to ensure compliance with reporting requirements regarding submissions of HUD-50058's into the PIC system for 2 out of 40 files tested.

**Questioned Costs:** None

**Context:** During testing of a sample of 60 HUD 50058 forms, it was noted that 2 files did not comply with compliance requirements.

- 1 HUD-50058 form was not submitted into the PIC system within the regulatory period of 90 days.
- 1 HUD-50058 form was submitted into the PIC system, however, it returned with a fatal error that was not corrected by the housing authority.

**Cause:** The Authority did not have internal controls to ensure compliance with the reporting requirements over submitting the required forms into the PIC system.

**Effect:** The Authority is not in compliance with federal regulations regarding the submission of the HUD-50058 to PIC. The inaccurate data could potentially effect determination of HAP funding.

**Repeat Finding:** The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-005.



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Recommendation:** We recommend that the person assigned to submit the 50058s to PIC assures a quality control review is performed on the submissions to ensure timely and accurate reporting.

**Views of Responsible Officials:** There is no disagreement with the audit finding. Following CLA's recommendation, SVP of Housing Choice will audit a random sample of 50058 submissions to PIC each month to ensure that all submissions are accurate in PIC. Additionally, the Agency is transitioning to Yardi software which should eliminate many of the submission issues caused by current enterprise software.

**2023 – 007 – Allowable Costs – Operating Fund**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Title: Public and Indian Housing

Assistance Listing Number: 14.850

Federal Award Identification Number and Year: LA003, 2023

Award Period: 10/1/23-9/30/23

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or Specific Requirement:** The Operating Fund was established for the purpose of making assistance available to PHAs for the operation and management of public housing. Transfers out of the Operating Fund can only occur in very limited circumstances, such as when PHAs participate in the Moving to Work Demonstration Program (Assistance Listing 14.881) authorized by 204(c)(1) of Title II of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, Pub. L. No. 104-134, 110 Stat. 1321-282. This would preclude PHAs from using Operating Funds to provide temporary loans to other programs within the PHA. Timing differences in a pooled cash environment would not be considered as temporary loans. Inter-fund transactions indicate the existence of temporary loans. Inter-fund receivables are recorded on FDS line 144 (Inter program – due from). In particular, inter-fund receivables should be reviewed to determine whether they are satisfied on a timely basis. In addition, FDS lines 10020 (Operating Transfers Out) and 10094 (Transfers Between Programs and Projects – Out) could indicate whether transfers out of the Operating Fund have been made. If PHAs have transferred funding out of the Operating Fund, proper authorization from HUD should be documented (42 USC 1437g(e)).

**Condition:** During testing, it was noted that the Authority did not properly monitor and reconcile its revolving fund between programs.

**Questioned Costs:** Unknown

**Context:** During our testing over interprogram accounts, it was noted that the COCC has amounts due to public housing under FDS lines 347 and 144 in the amount of \$3,571,589. This is a result of the Authority using a revolving fund for expenses.

**Cause:** The Authority failed to properly monitor and reconcile its revolving fund between programs.

**Effect:** The Authority is not in compliance with requirements regarding use of operating funds.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**Repeat Finding:** The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-010.

**Recommendation:** We recommend the Authority establishes procedures to properly reconcile the revolving fund cash account to ensure that cash and interprogram accounts are properly reported at the program level.

**Views of Responsible Officials:** There is no disagreement with the audit finding. There are procedures in place to settle interfunds if possible.

**2023 – 008 – Special Tests – Formula Income**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Title: Public and Indian Housing

Assistance Listing Number: 14.850

Federal Award Identification Number and Year: LA003, 2023

Award Period: 10/1/22-9/30/23

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or Specific Requirement:** The formula income is used to calculate the Operating Fund Revenue for each PHA. This calculation is generally based on prepopulated data calculated by HUD. However, in some cases Formula Income is not prepopulated. For further guidance review Formula Income Guidance the Operating Fund Web Page, the Annual Operating Subsidy Processing Notice and 24 CFR 990.195(d).

**Condition:** The HUD 52723 forms used for calculating subsidy contained errors. The Authority reported PILOT balances they did not have.

**Questioned Costs:** \$91,552

**Context:** The Authority is required to complete HUD 52723 forms as part of their process of applying for subsidy. During this process, the Authority reported PILOT balances erroneously.

**Cause:** The Authority failed to maintain proper controls over their HUD 52723 forms.

**Effect:** The Authority received additional HUD funding in excess of what they would have otherwise received.

**Recommendation:** We recommend the Authority reviews their controls over submitting forms to HUD to ensure they contain accurate information.

**Views of Responsible Officials:** There is no disagreement with the audit finding. New CFO is preparing a Subsidy Calculation procedure so new staff will be aware of what is eligible and non-eligible transactions for preparing forms.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER  
(UNAUDITED)  
YEAR ENDED SEPTEMBER 30, 2023**

**EXPENDITURE PURPOSE**

Salary	\$	265,742
Benefits-Insurance		16,343
Benefits-Retirement		22,228
Car Allowance		7,200
Per Diem		-
Registration Fees		-
Conference Travel		-
		-
Total Compensation, Benefits, and Other Payments	\$	311,513

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

**Basis of Presentation**

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



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
CORRECTIVE ACTION PLAN  
YEAR ENDED SEPTEMBER 30, 2023**

U.S. Department of Housing and Urban Development

The Housing Authority of East Baton Rouge Parish respectfully submits the following corrective action plan for the year ended September 30, 2023.

Audit period: October 1, 2022 – September 30, 2023

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

**MATERIAL WEAKNESS**

2023-001 Financial Reporting

Recommendation: The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority review their current procedures for reconciliations and monthly/year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate to ensure accurate and timely financial reporting.

Explanation of disagreement with audit finding: There is no disagreement with this audit finding.

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

Name of the contact person responsible for corrective action: Jim Daniels, CEO,

Planned completion date for corrective action plan: September 30, 2023

2023-002 Delay in Issuance of Financial Reporting

Recommendation: The Authority should ensure there is enough staffing to meet the demands of financial reporting requirements.



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
CORRECTIVE ACTION PLAN  
YEAR ENDED SEPTEMBER 30, 2023**

Explanation of disagreement with audit finding: There is no disagreement with this audit finding.

Action taken in response to finding: Now that staff is in place and working on setting up processes that should cut year end prep considerably and allow to get the audit completed in a timely manner.

Name of the contact person responsible for corrective action: Jim Daniels, CEO,

Planned completion date for corrective action plan: September 30, 2023



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
CORRECTIVE ACTION PLAN  
YEAR ENDED SEPTEMBER 30, 2023**

**FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

U.S. Department of Housing and Urban Development

2023-003 Special Tests – Annual HQS and Quality Control Inspections – Housing Voucher Cluster – Assistance Listing No. 14.871

Recommendation: We recommend that management review their controls for conducting HQS biennial and quality control re-inspections and ensure compliance standards are met.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Previously, staff used a 90-day window to select Quality Control samples. Doing so caused some QC inspections to be completed past the regulatory time period. Going forward, staff are selecting the sample size from a 45-day window. This allows sufficient time to complete the QC inspection within the regulatory time period.

Name(s) of the contact person(s) responsible for corrective action: Janie Anderson, VP Housing Voucher Cluster

Planned completion date for corrective action plan: September 30, 2023

2023-004 Special Tests – Top of the Waiting List – Housing Voucher Cluster – Assistance Listing No. 14.871

Recommendation: We recommend that the Authority reviews their standard procedures to ensure requests for informal reviews are granted and notified to the applicant within 30 days of the receipt of the request.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Agency hired a dedicated Hearing Officer following last year's audit. Unfortunately, during the period in question, the Hearing Officer went on maternity leave and then subsequently left the position resulting in a delay in completing hearings and reviews. The Agency has since contracted with a 3<sup>rd</sup> party to conduct hearings and reviews in a timely manner.

Name(s) of the contact person(s) responsible for corrective action: Janie Anderson, VP Housing Voucher Cluster

Planned completion date for corrective action plan: September 30, 2023



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
CORRECTIVE ACTION PLAN  
YEAR ENDED SEPTEMBER 30, 2023**

- 2023-005 Eligibility – Housing Voucher Cluster – Assistance Listing No. 14.871
- Recommendation: CLA recommends management should designate one person to review a sample of the files that have been recertified each month. The purpose of the review is to determine if the tenant files were prepared in accordance with internal policies and verify the compliance deficiencies have been corrected.
- Explanation of disagreement with audit finding: There is no disagreement with the audit finding.
- Action taken in response to finding: : Following CLA’s recommendation, SVP of Housing Choice will audit a random sample of 10 files on a monthly basis. Agency working with Human Resources contractor to fill open staff positions
- Name(s) of the contact person(s) responsible for corrective action: Janie Anderson, VP Housing Voucher Cluster
- Planned completion date for corrective action plan: September 30, 2023
- 2022-006 Reporting – PIC – Housing Voucher Cluster – Assistance Listing No. 14.871
- Recommendation: We recommend that the person assigned to submit the 50058s to PIC assures a quality control review is performed on the submissions to ensure timely and accurate reporting.
- Explanation of disagreement with audit finding: There is no disagreement with the audit finding.
- Action taken in response to finding: Following CLA’s recommendation, SVP of Housing Choice will audit a random sample of 50058 submissions to PIC each month to ensure that all submissions are accurate in PIC. Additionally, the Agency is transitioning to Yardi software which should eliminate many of the submission issues caused by current enterprise software.
- Name(s) of the contact person(s) responsible for corrective action: Janie Anderson, VP Housing Voucher Cluster
- Planned completion date for corrective action plan: September 30, 2023
- 2023-007 Allowable Costs – Operating Fund – Public and Indian Housing – Assistance Listing No. 14.850



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
CORRECTIVE ACTION PLAN  
YEAR ENDED SEPTEMBER 30, 2023**

Recommendation: We recommend the Authority establishes procedures to properly reconcile the revolving fund cash account to ensure that cash and interprogram accounts are properly reported at the program level.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: There are procedures in place to settle interfunds if possible.

Name(s) of the contact person(s) responsible for corrective action: J Daniels and Shannon Sterling

2023-008

Special Tests – Formula Income – Public and Indian Housing – Assistance Listing No. 14.850

Recommendation: We recommend the Authority reviews their controls over submitting forms to HUD to ensure they contain accurate information.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: New CFO is preparing a Subsidy Calculation procedure so new staff will be aware of what is eligible and non-eligible transactions for preparing forms.

Name(s) of the contact person(s) responsible for corrective action: Shannon Sterling and/or Carlton Brown

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call J Daniels at 225-923-8100 ext. 3101.





**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2023**

U.S. Department of Housing and Urban Development

The Housing Authority of the East Baton Rouge Parish respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2023.

Audit period: October 1, 2022 – September 30, 2023

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

**2022 – 001 Financial Reporting**

**Condition:** There were adjusting journal entries provided by Management during the course of the audit as well as multiple iterations of the trial balance being audited. Additionally, the SEFA prepared by management was not complete and did not agree to the final trial balance. This is indicative of a lack of internal controls over the financial reporting and financial close processes.

**Status:** This finding was not cleared in the current year. See 2023-001 for current year finding.

**Reason for finding's recurrence:** Finance still experienced turnover and short-staffed. The new CFO was only with the company for the last 3 months of fiscal year, so coupled with learning the makeup of the whole agency and antiquated software, learning curve was slow at first. Finance cut down adjusting entries by fifty entries but still had to make several reclass and adjusting entries to true up accounts.

**Corrective Action:** Our newly acquired HR company helped hire a Senior Staff Accountant that started in May 2024 and the new CFO will be here for the entire fiscal year working with staff to code items correctly from the initial start of the transaction. Steps will be implemented to do general ledger account reconciliations quarterly.

**2022 – 011 Delay in Issuance in Financial Reporting**

**Condition:** The audit report was completed after the statutory deadline of March 31, 2023.

**Status:** This finding was not cleared in the current year. See 2023-002 for current year finding.

**Reason for finding's recurrence:** New CFO was only involved with agency last 3 months of fiscal year. Learning curve of was slow at first for understanding the organization and antiquated software. FDS submission took longer than expected and which in turn started the audit process late than originally scheduled.



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2023**

**Corrective Action:** Get started with audit process in December and addition of staff will help with caseload.

**FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

**2022 – 002 Special Tests – HQS Enforcement**

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls designed to ensure compliance with failed HQS inspection requirements.

**Status:** This finding was not cleared in the current year. See 2023-003 for current year finding.

**Reason for finding's recurrence:** Previously, staff used a 90-day window to select Quality Control samples. Doing so caused some QC inspections to be completed past the regulatory time period.

**Corrective Action:** Going forward, staff are selecting the sample size from a 45-day window. This allows sufficient time to complete the QC inspection within the regulatory time period.

**2022 – 003 Special Tests – Top of the Waiting List**

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls designed to ensure compliance with waiting listing requirements. Per the Authority's Administrative Plan, when an applicant requests informal review, the authority must send written notice of the informal review within 30 days of the applicant's request.

**Status:** This finding was not cleared in the current year. See 2023-004 for current year finding.

**Reason for finding's recurrence:** The Agency hired a dedicated Hearing Officer following last year's audit. Unfortunately, during the period in question, the Hearing Officer went on maternity leave and then subsequently left the position resulting in a delay in completing hearings and reviews.

**Corrective Action:** The Agency has since contracted with a 3<sup>rd</sup> party to conduct hearings and reviews in a timely manner.

**2022 – 004 Eligibility**

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls designed to ensure compliance with eligibility requirements.

**Status:** This finding was not cleared in the current year. See 2023-005 for current year finding.

**Reason for finding's recurrence:** Agency continued to have staff shortages which contributed to errors and not all recertifications being completed in a timely manner.



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2023**

**Corrective Action:** Following CLA's recommendation, SVP of Housing Choice will audit a random sample of 10 files on a monthly basis. Additionally, Agency working with Human Resources contractor to fill open positions.

**2022 – 005 Reporting – PIC**

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls designed to ensure compliance with reporting requirements regarding submissions of HUD-50058's into the PIC system for 5 out of 40 files tested.

**Status:** This finding was not cleared in the current year. See 2023-006 for current year finding.

**Reason for finding's recurrence:** Many submission issues caused by current enterprise software.

**Corrective Action:** Following CLA's recommendation, SVP of Housing Choice will audit a random sample of 50058 submissions to PIC each month to ensure that all submissions are accurate in PIC. Additionally, the Agency is transitioning to Yardi software which should eliminate many of the submission issues caused by current enterprise software.

**2022 – 006 Special Tests – Reasonable Rent Changes**

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls designed to ensure compliance with reasonable rent requirements.

**Status:** This finding was cleared in the current year.

**2022 – 007 Allowable Activities and Costs - HVC**

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls over general and payroll disbursements.

**Status:** This finding was cleared in the current year.

**2022 – 008 Allowable Activities and Costs - LIPH**

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls over general and payroll disbursements.

**Status:** This finding was cleared in the current year.



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2023**

**2022 – 009 Procurement and Suspension and Debarment**

**Condition:** During testing, it was noted that the Authority did not have adequate internal controls over procurement and suspension and debarment requirements.

**Status:** This finding was cleared in the current year.

**2022 – 010 Allowable Costs – Operating Fund**

**Condition:** During testing, it was noted that the Authority did not properly monitor and reconcile its revolving fund between programs.

**Status:** This finding was not cleared in the current year. See 2023-008 for current year finding.

**Reason for finding's recurrence:** Not enough cash to reconcile and settle interfunds.

**Corrective Action:** Need to either do a deep dive reconciliation into the cash back several fiscal periods or cut costs in COCC.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



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

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

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

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

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

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

##### *Accounting estimates*

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

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

methods, assumptions, and data used to develop the allowance and related disclosures in determining that it is reasonable in relation to the financial statements taken as a whole.

**Financial statement disclosures**

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

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

***Significant unusual transactions***

We identified no significant unusual transactions.

***Difficulties encountered in performing the audit***

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

***Uncorrected misstatements***

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

***Corrected misstatements***

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

***Disagreements with management***

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

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

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

***Management representations***

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

***Management consultations with other independent accountants***

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

***Significant issues discussed with management prior to engagement***

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

***Other audit findings or issues***

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

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

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

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

***Audits of group financial statements***

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

***Quality of component auditor’s work***

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

***Required supplementary information***

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



**Supplementary information in relation to the financial statements as a whole**

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

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

\* \* \*

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
May 30, 2024

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

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

**INADEQUATE DISCLOSURES OR UNCORRECTED MISSTATEMENTS OF DISCLOSURES**

<b>Description</b>	<b>Amount (If Applicable)</b>
None	



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

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

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

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

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated November 16, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.



7. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
12. The fact that the amount of “uncollateralized” deposits or “uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity’s name” during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.
13. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
14. Agreements to repurchase assets previously sold have been properly disclosed.
15. We have analyzed all lease and subscription-based information technology arrangements contracts and have considered all material embedded leases and subscription based technology agreements contained within other contracts in accordance with U.S. GAAP.
16. We have implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the standard. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.
17. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
18. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.



19. Provision has been made to reduce excess or obsolete inventories to their estimated net realizable value.
20. We believe that all material expenditures that have been deferred to future periods will be recoverable.

### **Information Provided**

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.
  - f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
  - g. Access to all audit or relevant monitoring reports, if any, received from funding sources.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.



6. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to The Housing Authority of East Baton Rouge Parish, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.



18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
19. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
20. The financial statements properly classify all funds and activities.
21. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
22. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
23. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
24. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
25. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
26. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
27. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
28. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
29. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
30. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
31. We acknowledge our responsibility for presenting the financial data schedule and schedule of compensation, benefits and other payments to the chief executive officer (the supplementary



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

32. As part of your audit, you prepared the draft financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
33. We have evaluated the adequacy and results of the lease accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our lease asset and lease liability (lease schedule) based on the lease information provided by us. We have reviewed our lease contracts and related lease schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the lease schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your lease services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
34. We have evaluated the adequacy and results of the subscription-based information technology arrangement (SBITA) accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our subscription asset and related subscription liability (SBITA schedule) based on the SBITA information provided by us. We have reviewed our SBITA contracts and related SBITA schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the SBITA schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your SBITA services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
35. In regards to the nonattest services performed by you, we have:
  - a. Made all management judgments and decisions and assumed all management responsibilities.





- b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
- c. Evaluated the adequacy and results of the services performed.
- d. Accepted responsibility for the results of the services.
- e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

36. With respect to federal award programs:

- a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issued the SEFA and the auditors' report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance



with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- j. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- k. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, *Cost Principles State, Local, and Tribal Governments*, and OMB Circular A-102 *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- l. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- n. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.




- p. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.
  - q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
  - r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
  - s. We have charged costs to federal awards in accordance with applicable cost principles.
  - t. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
  - u. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
  - v. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
  - w. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
  - x. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- 
1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; fraud notice; information technology disaster recovery/business continuity; prevention of sexual harassment; and other areas (should be customized by entity, as applicable).
  2. We acknowledge that we are responsible for establishing and maintaining effective internal control over compliance.



3. For the fiscal period October 1, 2022 through September 30, 2023, we have performed an evaluation of our compliance with the best practices criteria presented in the statewide AUPs.
4. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.
5. We have provided you with access to all records that we believe are relevant to the C/C areas and the statewide AUPs.
6. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.
7. We have disclosed to you any known noncompliance with laws or regulations affecting the statewide AUPs occurring during the period of October 1, 2022 through September 30, 2023 and between October 1, 2022 and May 30, 2024, including any actual, suspected, or alleged fraud.
8. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between September 30, 2023 and May 30, 2024.
9. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
10. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
11. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
12. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
13. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
14. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and purchase (P) cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
15. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
16. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
17. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.



18. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
19. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
20. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
21. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
22. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.
23. We represent that the listing of computers currently in use and their related locations that we provided to you is complete.
24. We are not aware of any material misstatements in the C/C areas identified in the statewide AUPs.
25. We have disclosed to you [list other matters as you have deemed appropriate].
26. We have responded fully to all inquiries made by you during the engagement.
27. We have disclosed to you all known events that have occurred subsequent to September 30, 2023 that would have a material effect on the C/C areas identified in the statewide AUPs, or would require adjustment to or modification of the results of the statewide AUPs.

Signature: \_\_\_\_\_  Title: CEO

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_



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

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

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

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

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated November 16, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

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6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.
8. We have not identified or been notified of any uncorrected financial statement misstatements. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
12. The fact that the amount of “uncollateralized” deposits or “uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the entity’s name” during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.
13. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
14. We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with U.S. GAAP.
15. We have implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the standard. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.
16. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.



17. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
18. Provision has been made to reduce excess or obsolete inventories to their estimated net realizable value.
19. We believe that all material expenditures that have been deferred to future periods will be recoverable.

#### **Information Provided**

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.
  - f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
  - g. Access to all audit or relevant monitoring reports, if any, received from funding sources.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.





5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Partners for Progress, Inc. including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.

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17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
19. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
20. The financial statements properly classify all funds and activities.
21. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
22. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
23. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
24. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
25. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
26. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
27. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
28. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
29. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
30. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and

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

31. We acknowledge our responsibility for presenting the schedule of compensation, benefits and other payments to the chief executive officer (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
32. As part of your audit, you prepared the draft financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
33. We have evaluated the adequacy and results of the lease accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our lease asset and lease liability (lease schedule) based on the lease information provided by us. We have reviewed our lease contracts and related lease schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the lease schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your lease services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
34. We have evaluated the adequacy and results of the subscription-based information technology arrangement (SBITA) accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our subscription asset and related subscription liability (SBITA schedule) based on the SBITA information provided by us. We have reviewed our SBITA contracts and related SBITA schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the SBITA schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your SBITA services; have made all significant management judgments and decisions; and have assumed all



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

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

Signature: \_\_\_\_\_ Title: CEO

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_



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

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

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

### **BANK RECONCILIATIONS**

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

We recommend the Authority implement controls over bank reconciliations.

### **WEEKLY PAYABLE REPORTS**

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

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

### **CASH DEPOSITS**

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

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

### **UNDER COLLATERALIZED DEPOSITS**

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

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

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

### **RESIDENT COUNCIL BUDGETS**

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

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

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

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
May 30, 2024

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATE AGREED UPON PROCEDURES**

**BATON ROUGE, LOUISIANA**

**AGREED UPON PROCEDURES REPORT**

**YEAR ENDED SEPTEMBER 30, 2023**



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

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish  
and the Louisiana Legislative Auditor  
Baton Rouge, Louisiana

To the Governing Board of The Housing Authority of East Baton Rouge Parish and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022 through September 30, 2023. The Housing Authority of East Baton Rouge Parish's management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority of East Baton Rouge Parish has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2022 through September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

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- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- 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(s) rate 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.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

## **2) Board or Finance Committee**

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund,

quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

- ii. 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.
- iii. 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.

### **3) Bank Reconciliations**

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- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (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: 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);
  - 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 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)**

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

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers.
  - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
  - 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 the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v. Trace the actual deposit per the bank statement to the general ledger.

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

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #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, 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/making the purchase.
  - ii. At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - 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.

For each location selected under #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 matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B, as applicable.
- C. 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/P-Cards**

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 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.
  - 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 #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - ii. If reimbursed using actual costs, observe 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 each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - 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 the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - 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 the invoice and related payment agreed to the terms and conditions of the contract.

#### **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials 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 #9A above, obtain attendance records and leave documentation for the pay period, and:
  - i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

- iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - iv. Observe the rate paid to the employees or officials agree 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 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.

#### **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, 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 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 Service**

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe 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 Notice***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select 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 the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

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

### ***14) Prevention of Sexual Harassment***

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- 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 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 it 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.

## Results

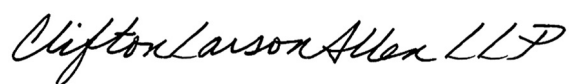
1. The Authority was able to provide a written policy related to Purchasing. However, we noted the policy is not compliant with all of the State AUP requirements. Specifically, the only items within the State AUP requirements that is outlined within the policy provided is how purchases are initiated and how vendors are added to the vendor list. The remaining 3 requirements are not addressed.
2. The Authority was not able to provide a written policy related to Contracting. Rather, they maintain an addendum to the Purchasing Policy. However, we noted the policy is not complaint with the State AUP requirements. The 5 State requirements were not addressed within the policy received.
3. The Authority was able to provide a written Ethics Policy. We noted the policy met 2 out of the 4 State AUP requirements. Specifically, the policy did not address a system being used to monitor any possible ethics violations nor the requirements of maintaining documents and notifying officials of any changes to the policy in place.
4. We noted 1 employee out of 5 did not complete the required one hour ethics training during the calendar year as required by R.S. 42:1170.
5. Board meetings were held in 8 of the 12 months during the fiscal period being reviewed. budget-to-actual monthly comparisons were consistently referenced during the months in which The Authority held Board meetings. Financial Reports were noted regularly throughout the minutes of the monthly Board meetings which were reported. It was not evidenced that the Board/Finance Committee received written updates of the progress of resolving the prior audit findings, according to management corrective action plan at each meeting until the findings are considered fully resolved.

6. The Authority was able to provide documentation over Bank Statements and corresponding Bank Reconciliations in four out of five samples. However, in all five reconciliations reviewed, we noted that The Authority did not address the State AUP requirement of reconciliations having evidence of review/approval from a member of management/board member who does not typically handle cash, post ledgers, or issue checks. In four out of five samples, the bank reconciliations were not performed timely. In two of five reconciliations, there was no evidence of management researching reconciling items that have been outstanding for more than 12 months. In one out of five reconciliations, no reconciliation was performed, and the accounting department did not have a bank statement to support the account.
7. When reviewing the listing of P-Cards prepared by management, The Authority did not meet the State AUP requirement of having proper evidence of review/approval by someone other than the authorized card holder in one of one fuel cards reviewed. We reviewed a sample of 5 cards, which was the entire population.
8. The Authority was able to provide a written policy related to Sexual Harassment. However, we noted the policy is not compliant with the State AUP requirements. We noted the policy met 1 of the 3 State AUP requirements. Specifically, the policy was missing details on annual employee training and annual reporting. Additionally, the Authority did not file an annual sexual harassment report.

We were engaged by The Housing Authority of East Baton Rouge Parish 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 the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
May 30, 2024



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