

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED DECEMBER 31, 2023

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

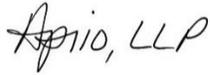
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 6 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental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

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Statement and Certification of Program Costs – Capital Fund Program and the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented for the Office of the Louisiana Legislative Auditor's information and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards; Statement and Certification of Program Costs – Capital Fund Program; Financial Data Schedule; and Schedule of Compensation, Benefits and Other Payments to the Executive Director are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

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

Birmingham, Alabama
May 30, 2024

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

Board of Commissioners
Housing Authority of the City of Donaldsonville
Donaldsonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Donaldsonville (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 30, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Aprio, LLP

Birmingham, Alabama

May 30, 2024

HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

Financial Highlights

- The Authority's net position increased \$127,916 during 2023. Net Position was \$3,625,074 and \$3,752,990 for 2022 and 2023, respectively.

- Revenues increased \$571,823 during 2023, and were \$1,127,808 and \$1,699,631 for 2022 and 2023, respectively.

- Expenses increased \$182,869 during 2023, and were \$1,388,846 and \$1,571,715 for 2022 and 2023, respectively.

USING THIS ANNUAL REPORT

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

MD&A

*~ MANAGEMENT DISCUSSION
AND ANALYSIS ~*

BASIC FINANCIAL STATEMENTS

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

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

Authority-Wide Financial Statements

Statement of Net Position

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

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

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

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

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

Statement of Revenues, Expenses, and Changes in Net Position

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

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

Statement of Cash Flows

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

THE AUTHORITY'S FEDERAL PROGRAMS

Significant Program – The focus of the Authority's Financial Statements should be on the significant program of the Authority. The following is considered a significant program of the Authority.

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

Other Program – In addition to the Conventional Public Housing Program above, the Authority also maintains the following program:

- FEMA Disaster Grant

AUTHORITY-WIDE STATEMENTS

Condensed Statement of Net Position

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

TABLE 1
CONDENSED STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 500,233	\$ 866,393	\$ (366,160)
Capital Assets	4,915,118	4,210,539	704,579
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,415,351</u>	<u>\$ 5,076,932</u>	<u>\$ 338,419</u>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 137,150	\$ 256,941	\$ (119,791)
Non-Current Liability	1,525,211	1,194,917	330,294
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,662,361</u>	<u>\$ 1,451,858</u>	<u>\$ 210,503</u>
Net Position:			
Net Investment in Capital Assets	\$ 3,415,118	\$ 3,039,650	\$ 375,468
Restricted Net Position	-	318,093	(318,093)
Unrestricted Net Position	<u>337,872</u>	<u>267,331</u>	<u>70,541</u>
Total Net Position	<u>\$ 3,752,990</u>	<u>\$ 3,625,074</u>	<u>\$ 127,916</u>

Major Factors Affecting the Condensed Statement of Net Position

During 2023, current and restricted assets decreased due mainly to a reduction of grants receivable due from HUD, and a reduction of cash held and restricted for property modernizations. Capital assets increased due to construction and other dwelling improvements exceeding depreciation.

Current liabilities decreased due primarily to a reduction of accounts payable due to vendors and contractors. Non-current liabilities increased due to borrowings against a construction loan.

Restricted net position decreased as funds previously restricted for property modernizations were expended during the year.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, January 1, 2023	\$ 267,331
Results of Operations	(79,743)
Capital Expenditures from Operating Reserves	(178,622)
Interest Income	8,498
Interest Expense	(45,343)
Depreciation Expense	<u>365,751</u>
Unrestricted Net Position, December 31, 2023	<u>\$ 337,872</u>

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

TABLE 3

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 549,224	\$ 544,287	\$ 4,937
Operating Grants	481,165	444,016	37,149
Capital Contributions	244,504	-	244,504
Interest Income	8,498	1,187	7,311
Other Revenue	416,240	138,318	277,922
Total Revenues	<u>\$ 1,699,631</u>	<u>\$ 1,127,808</u>	<u>\$ 571,823</u>
Expenses:			
Administrative Expenses	\$ 330,545	\$ 324,452	\$ 6,093
Tenant Services	10,988	8,617	2,371
Utilities	80,659	74,425	6,234
Maintenance	346,031	314,501	31,530
Protective Services	54,177	51,077	3,100
General Expense	338,221	263,213	75,008
Interest Expense	45,343	49,645	(4,302)
Depreciation	365,751	302,916	62,835
Total Expenses	<u>\$ 1,571,715</u>	<u>\$ 1,388,846</u>	<u>\$ 182,869</u>
Deficiency of Revenues Over Expenses	<u>\$ 127,916</u>	<u>\$ (261,038)</u>	<u>\$ 388,954</u>

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

Operating grants increased due mainly to operating subsidies recognized under the Capital Fund Program. Capital contributions increased due to an increase of modernization activity subsidized through the Capital Fund Program. Other revenue increased due to insurance proceeds recognized from Hurricane Delta damages.

Maintenance costs increased due mainly to an increase of external contracting costs incurred. General expenses increased due to an increase of property insurance costs. Depreciation expense increased as a result of assets placed in service during fiscal years 2022 and 2023.

Capital Assets

As of year-end, the Authority had \$4.9 million invested in a variety of capital assets as reflected in the following schedule. For additional details see the Notes to the Financial Statements.

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

	2023	2022	Variance	% Change
Land	\$ 233,313	\$ 233,313	\$ -	0%
Buildings and Improvements	11,097,607	8,247,443	2,850,164	35%
Furniture and Equipment	467,233	435,446	31,787	7%
Construction in Process	701,389	2,513,010	(1,811,621)	-72%
Accumulated Depreciation	(7,584,424)	(7,218,673)	(365,751)	5%
Net Capital Assets	\$ 4,915,118	\$ 4,210,539	\$ 704,579	17%

**TABLE 5
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, January 1, 2023	\$ 4,210,539
Additions:	
Construction in Process	985,457
Building Improvements	53,086
Equipment Purchases	31,787
Depreciation Expense	(365,751)
Ending Balance, December 31, 2023	\$ 4,915,118

Capital Debt

As of year-end, the Authority had \$1.5 million of capital debt outstanding, summarized as follows:

<u>Debt</u>	<u>2023</u>	<u>2022</u>
Construction Loan	\$ 1,500,000	\$ 1,170,889

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is the Executive Director. Specific requests may be submitted to the Housing Authority of the City of Donaldsonville, 1501 St. Patrick Street, Donaldsonville, Louisiana 70346.

HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash	\$ 369,311
Accounts Receivable, Net	56,102
Prepaid Costs	65,227
Inventory	9,593
Total Current Assets	<u>500,233</u>
<u>Capital Assets</u>	
Land	233,313
Buildings and Improvements	11,097,607
Furniture and Equipment	467,233
Construction in Process	701,389
	<u>12,499,542</u>
(Less): Accumulated Depreciation	<u>(7,584,424)</u>
Net Capital Assets	<u>4,915,118</u>
Total Assets	<u>5,415,351</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,415,351</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2023

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 38,374
Accrued Wages and Payroll Taxes	5,272
Accrued Compensated Absences	10,295
Tenant Security Deposits	56,605
Unearned Revenue	26,604
Total Current Liabilities	<u>137,150</u>
<u>Non-current Liabilities</u>	
Long Term Capital Debt	1,500,000
Accrued Compensated Absences	25,211
Total Non-current Liabilities	<u>1,525,211</u>
Total Liabilities	<u>1,662,361</u>
Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,662,361</u>
<u>Net Position</u>	
Net Investment in Capital Assets	3,415,118
Unrestricted Net Position	337,872
Total Net Position	<u>3,752,990</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 5,415,351</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Enterprise Fund
<u>Operating Revenues</u>	
Tenant Rent Revenue	\$ 549,224
Operating Grants	481,165
Other Revenue	416,240
Total Operating Revenues	<u>1,446,629</u>
<u>Operating Expenses</u>	
Administrative	330,545
Tenant Services	10,988
Utilities	80,659
Maintenance	346,031
Protective Services	54,177
General Expenses	338,221
Depreciation	365,751
Total Operating Expenses	<u>1,526,372</u>
Operating Income (Loss)	<u>(79,743)</u>
<u>Non-Operating Revenue (Expense)</u>	
Interest Income	8,498
Interest Expense	(45,343)
Total Non-Operating Revenue (Expense)	<u>(36,845)</u>
Increase (decrease) before Capital Contributions	<u>(116,588)</u>
Capital Contributions	<u>244,504</u>
Increase (Decrease) in Net Position	127,916
Net Position, Beginning	3,625,074
Net Position, Ending	<u>\$ 3,752,990</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 557,734
Cash Received from Operating Grants	562,455
Cash Received from Other Sources	420,690
Cash Payments for Salaries and Benefits	(451,610)
Cash Payments to Vendors and Landlords	<u>(713,037)</u>
Net cash provided (used) by operating activities	<u>376,232</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	244,504
Capital Outlay	(1,160,635)
Proceeds from the issuance of Capital Debt	329,111
Interest Paid on Capital Debt	<u>(94,988)</u>
Net cash provided (used) by capital and related financing activities	<u>(682,008)</u>
<u>Cash flows from investing activities:</u>	
Interest Earned from Cash	<u>8,498</u>
Net cash provided (used) by investing activities	<u>8,498</u>
Net decrease in Cash and Restricted Cash	(297,278)
Total Cash and Restricted Cash, Beginning of Year	<u>666,589</u>
Total Cash, End of Year	<u>\$ 369,311</u>

Continued on next page

**HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Enterprise Fund
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ (79,743)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	365,751
Bad Debt Expense	8,665
Change in Accounts Receivable (Tenants)	(5,513)
Change in Accounts Receivable (Grants)	81,290
Change in Prepaid Costs and Inventory	(15,560)
Change in Accounts Payable - Operating	2,567
Change in Accrued Personnel Expenses	302
Change in Unearned Revenue (Tenants)	14,023
Change in Security Deposits Held	4,450
Net cash provided (used) by operating activities	<u>\$ 376,232</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Cash

Cash consisted of two checking accounts.

Accounts Receivable

Accounts receivable are reported at amounts management expects to collect and consisted of gross tenant receivables of \$8,691, reported net of an allowance for doubtful accounts of \$5,096, at a net amount of \$3,595; \$52,357 of grants receivable and \$150 of other miscellaneous receivables.

Prepaid Items and Inventory

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Property and Equipment

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

Buildings	40 years
Building Improvements	15 years
Furniture and equipment	5 - 7 years

Authority management has assessed the carrying values of capital asset balances as of December 31, 2023, and as of May 30, 2024. No significant capital asset value impairments exist as of the noted dates.

PILOT Agreement

The Authority has entered into a Payment-in-Lieu-of-Taxes (PILOT) Agreement with the City of Donaldsonville whereby the Authority agreed to pay a negotiated sum in lieu of local real property taxes. The City has waived payment of the 2023 PILOT calculated at \$46,857.

Unearned Revenue

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

Deferred Outflows and Inflows of Resources

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

Revenue Accounting Policies

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

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

NOTE C – CASH DEPOSITS

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

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

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

The Housing Authority's cash consisted of funds held in two interest-bearing checking accounts with reconciled balances totaling \$369,311. Deposits balances held with financial institutions totaled \$411,653 and were secured as follows:

	Bank Deposits
Insured by FDIC	\$ 392,486
Collateralized with specific securities in the Authority's name which are held by a third-party financial institution	19,167
	<u>\$ 411,653</u>

NOTE D - CONTRACTUAL COMMITMENTS

The Authority's outstanding contractual commitments as of December 31, 2023, consisted of a construction contract in the amount of \$975,000 with an outstanding obligation amount of \$341,957.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE E - CONCENTRATION OF RISK

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

NOTE F - SIGNIFICANT ESTIMATES

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

NOTE G - RISK MANAGEMENT

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

The Authority incurred property damage from Hurricane Delta in October of 2020. A claim for clean-up, repairs and restoration resulting from Delta has been approved by the insurance carrier in the amount of \$444,530. \$84,799 was recognized during 2022 and \$359,731 was recognized during 2023.

NOTE H - DEFINED CONTRIBUTION RETIREMENT PLANS

The Authority provides retirement benefits for all of its eligible full-time employees through a defined contribution plan, known as the Housing Agency Retirement Trust Plan, administered by Mercer. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes 14% of the eligible employees' base salaries to the plan. Contributions and allocated investment earnings are fully vested after 5 years of continuous service. During 2023, the Authority made the required contributions in the amount of \$35,418, and there were no significant unpaid retirement plan liabilities outstanding as of December 31, 2023.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I – NON-CURRENT LIABILITIES

Accrued Compensated Absences

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

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

Construction Loan

In July of 2020, the Authority entered into a Construction Loan Agreement with Capital Area Finance Authority in the amount of \$1,500,000 to assist in financing construction of dwelling property. Interest accrued at 4%, however no principal or interest payments were due prior to maturity or conversion to a permanent loan. The loan is secured by the Johnson Memorial Homes dwelling project. During 2023, the Authority borrowed \$329,111 against the loan and incurred interest expense of \$45,343. In November of 2023, the loan converted to a permanent loan payable to the Louisiana Housing Corporation. As of the November loan conversion, the Authority no longer had any obligations to Capital Area Finance Authority with respect to the initial construction loan. The permanent loan does not bear interest and the principal balance owed as of December 31, 2023 of \$1,500,000 will be forgiven upon maturity in November of 2028 if the Authority operates the property within the affordability criteria specified in the Neighborhood Landlord Rental Program Construction and Permanent Loan (NLRPCPL) Agreement.

A summary of non-current liability activity and balances as of December 31, 2023, is as follows:

	January 1,			December 31,	Due Within
	<u>2023 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>2023 Balance</u>	<u>One Year</u>
Compensated Absences	\$ 34,390	\$ 26,843	\$ 25,727	\$ 35,506	\$ 10,295
NLRPCPL Loan	1,170,889	329,111	-	1,500,000	-
Less: Current portion	<u>(10,362)</u>			<u>(10,295)</u>	
Non-current Liabilities	<u>\$ 1,194,917</u>	<u>\$ 355,954</u>	<u>\$ 25,727</u>	<u>\$ 1,525,211</u>	<u>\$ 10,295</u>

NOTE J - COMMITMENTS AND CONTINGENCIES

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K - CAPITAL ASSETS

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

	January 1, 2023		Transfers and	December 31, 2023
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Land	\$ 233,313	\$ -	\$ -	\$ 233,313
Construction in Process	<u>2,513,010</u>	<u>985,457</u>	<u>(2,797,078)</u>	<u>701,389</u>
Total Assets not being depreciated	2,746,323	985,457	(2,797,078)	934,702
Buildings and Improvements	8,247,443	53,086	2,797,078	11,097,607
Furniture and Equipment	<u>435,446</u>	<u>31,787</u>	<u>-</u>	<u>467,233</u>
Total Capital Assets	11,429,212	1,070,330	-	12,499,542
Less Accumulated Depreciation				
Buildings and Improvements	(6,834,491)	(342,362)	-	(7,176,853)
Furniture and Equipment	<u>(384,182)</u>	<u>(23,389)</u>	<u>-</u>	<u>(407,571)</u>
Net Book Value	<u>\$ 4,210,539</u>	<u>\$ 704,579</u>	<u>\$ -</u>	<u>\$ 4,915,118</u>

NOTE L - SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through May 30, 2024, the date the financial statements were available to be issued.

**HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
 FOR THE YEAR ENDED DECEMBER 31, 2023**

	LA48P04350121
Funds Approved	\$ 305,283
Funds Expended	305,283
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 305,283
Funds Expended	305,283
Excess of Funds Advanced	<u>\$ -</u>

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

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

<u>Grantor Program or Cluster Title</u>	<u>Federal Assistance Listing No.</u>	<u>Pass-through Entity Identifying No.</u>	<u>Federal Expenditures</u>
Public Housing Program	14.850a	N/A	\$ 402,386
Capital Fund Program	14.872	N/A	305,283
TOTAL HUD EXPENDITURES			707,669
Disaster Grants - Public Assistance (Presidentially Declared) - Passed through the State of Louisiana Office of Community Development, Disaster Recovery Unit			
	97.036	D3LYFCJXMRS5	18,000
TOTAL FEMA EXPENDITURES			18,000
TOTAL FEDERAL EXPENDITURES			\$ 725,669

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 December 31, 2023. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – AWARDS PASSED-THROUGH TO SUBRECIPIENTS

No federal award funds were passed-through to subrecipient grantees during the year ended December 31, 2023.

NOTE 4 – NON-MONETARY FEDERAL AWARDS ASSISTANCE

The Authority did not receive or expend non-monetary federal awards assistance during the year ended December 31, 2023.

NOTE 5 – INDIRECT COST RATE

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

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 12/31/2023

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	ELIM	Total Enterprise Fund
111 Cash - Unrestricted	\$ 312,706	\$ -	\$ -	\$ 312,706
112 Cash - Restricted - Modernization and Development	-	-	-	-
113 Cash - Other Restricted	-	-	-	-
114 Cash - Tenant Security Deposits	56,605	-	-	56,605
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-
100 Total Cash	\$ 369,311	\$ -	\$ -	\$ 369,311
121 Accounts Receivable - PHA Projects	-	-	-	-
122 Accounts Receivable - HUD Other Projects	52,357	-	-	52,357
124 Accounts Receivable - Other Government	-	-	-	-
125 Accounts Receivable - Miscellaneous	150	-	-	150
126 Accounts Receivable - Tenants	8,691	-	-	8,691
126.1 Allowance for Doubtful Accounts - Tenants	(5,096)	-	-	(5,096)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-
128 Fraud Recovery	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 56,102	\$ -	\$ -	\$ 56,102
131 Investments - Unrestricted	-	-	-	-
132 Investments - Restricted	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-
142 Prepaid Expenses and Other Assets	65,227	-	-	65,227
143 Inventories	10,659	-	-	10,659
143.1 Allowance for Obsolete Inventories	(1,066)	-	-	(1,066)
144 Inter Program Due From	-	-	-	-
145 Assets Held for Sale	-	-	-	-
150 Total Current Assets	\$ 500,233	\$ -	\$ -	\$ 500,233
161 Land	233,313	-	-	233,313
162 Buildings	9,903,859	-	-	9,903,859
163 Furniture, Equipment & Machinery - Dwellings	192,526	-	-	192,526
164 Furniture, Equipment & Machinery - Administration	274,707	-	-	274,707
165 Leasehold Improvements	1,193,748	-	-	1,193,748
166 Accumulated Depreciation	(7,584,424)	-	-	(7,584,424)
167 Construction in Progress	701,389	-	-	701,389
168 Infrastructure	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 4,915,118	\$ -	\$ -	\$ 4,915,118
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-
174 Other Assets	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-
180 Total Non-Current Assets	\$ 4,915,118	\$ -	\$ -	\$ 4,915,118

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 12/31/2023

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	ELIM	Total Enterprise Fund
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 5,415,351	\$ -	\$ -	\$ 5,415,351
311 Bank Overdraft	-	-	-	-
312 Accounts Payable <= 90 Days	38,374	-	-	38,374
313 Accounts Payable >90 Days Past Due	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	5,272	-	-	5,272
322 Accrued Compensated Absences - Current Portion	10,295	-	-	10,295
324 Accrued Contingency Liability	-	-	-	-
325 Accrued Interest Payable	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-
341 Tenant Security Deposits	56,605	-	-	56,605
342 Unearned Revenue	26,604	-	-	26,604
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-
345 Other Current Liabilities	-	-	-	-
346 Accrued Liabilities - Other	-	-	-	-
347 Inter Program - Due To	-	-	-	-
348 Loan Liability - Current	-	-	-	-
310 Total Current Liabilities	\$ 137,150	\$ -	\$ -	\$ 137,150
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	1,500,000	-	-	1,500,000
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-
354 Accrued Compensated Absences - Non Current	25,211	-	-	25,211
355 Loan Liability - Non Current	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-
350 Total Non-Current Liabilities	\$ 1,525,211	\$ -	\$ -	\$ 1,525,211
300 Total Liabilities	\$ 1,662,361	\$ -	\$ -	\$ 1,662,361
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	3,415,118	-	-	3,415,118
511.4 Restricted Net Position	-	-	-	-
512.4 Unrestricted Net Position	337,872	-	-	337,872
513 Total Equity - Net Assets / Position	\$ 3,752,990	\$ -	\$ -	\$ 3,752,990
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 5,415,351	\$ -	\$ -	\$ 5,415,351

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2023

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	ELIM	Total Enterprise Fund
70300 Net Tenant Rental Revenue	\$ 530,336	\$ -	\$ -	\$ 530,336
70400 Tenant Revenue - Other	18,888	-	-	18,888
70500 Total Tenant Revenue	\$ 549,224	\$ -	\$ -	\$ 549,224
70600 HUD PHA Operating Grants	463,165	-	-	463,165
70610 Capital Grants	244,504	-	-	244,504
70710 Management Fee	-	-	-	-
70720 Asset Management Fee	-	-	-	-
70730 Book Keeping Fee	-	-	-	-
70740 Front Line Service Fee	-	-	-	-
70750 Other Fees	-	-	-	-
70700 Total Fee Revenue	\$ 707,669	\$ -	\$ -	\$ 707,669
70800 Other Government Grants	-	18,000	-	18,000
71100 Investment Income - Unrestricted	8,498	-	-	8,498
71200 Mortgage Interest Income	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-
71400 Fraud Recovery	-	-	-	-
71500 Other Revenue	416,240	-	-	416,240
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-
70000 Total Revenue	\$ 1,681,631	\$ 18,000	\$ -	\$ 1,699,631
91100 Administrative Salaries	174,834	-	-	174,834
91200 Auditing Fees	25,071	-	-	25,071
91300 Management Fee	-	-	-	-
91310 Book-keeping Fee	-	-	-	-
91400 Advertising and Marketing	-	-	-	-
91500 Employee Benefit contributions - Administrative	67,796	-	-	67,796
91600 Office Expenses	18,774	-	-	18,774
91700 Legal Expense	-	-	-	-
91800 Travel	10,598	-	-	10,598
91810 Allocated Overhead	-	-	-	-
91900 Other	33,472	-	-	33,472
91000 Total Operating - Administrative	\$ 330,545	\$ -	\$ -	\$ 330,545
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-
92200 Relocation Costs	4,928	-	-	4,928
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-
92400 Tenant Services - Other	6,060	-	-	6,060
92500 Total Tenant Services	\$ 10,988	\$ -	\$ -	\$ 10,988
93100 Water	57,002	-	-	57,002
93200 Electricity	22,542	-	-	22,542

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2023

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	ELIM	Total Enterprise Fund
93300 Gas	1,115	-	-	1,115
93400 Fuel	-	-	-	-
93500 Labor	-	-	-	-
93600 Sewer	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-
93800 Other Utilities Expense	-	-	-	-
93000 Total Utilities	\$ 80,659	\$ -	\$ -	\$ 80,659
94100 Ordinary Maintenance and Operations - Labor	137,950	-	-	137,950
94200 Ordinary Maintenance and Operations - Materials and Other	64,418	-	-	64,418
94300 Ordinary Maintenance and Operations Contracts	74,374	-	-	74,374
94500 Employee Benefit Contributions - Ordinary Maintenance	44,489	-	-	44,489
94000 Total Maintenance	\$ 321,231	\$ -	\$ -	\$ 321,231
95100 Protective Services - Labor	-	-	-	-
95200 Protective Services - Other Contract Costs	53,626	-	-	53,626
95300 Protective Services - Other	551	-	-	551
95500 Employee Benefit Contributions - Protective Services	-	-	-	-
95000 Total Protective Services	\$ 54,177	\$ -	\$ -	\$ 54,177
96110 Property Insurance	219,581	-	-	219,581
96120 Liability Insurance	-	-	-	-
96130 Workmen's Compensation	8,740	-	-	8,740
96140 All Other Insurance	13,216	-	-	13,216
96100 Total insurance Premiums	\$ 241,537	\$ -	\$ -	\$ 241,537
96200 Other General Expenses	14,319	-	-	14,319
96210 Compensated Absences	26,843	-	-	26,843
96300 Payments in Lieu of Taxes	46,857	-	-	46,857
96400 Bad debt - Tenant Rents	8,665	-	-	8,665
96500 Bad debt - Mortgages	-	-	-	-
96600 Bad debt - Other	-	-	-	-
96000 Total Other General Expenses	\$ 96,684	\$ -	\$ -	\$ 96,684
96710 Interest of Mortgage (or Bonds) Payable	45,343	-	-	45,343
96700 Total Interest Expense and Amortization Cost	\$ 45,343	\$ -	\$ -	\$ 45,343
96900 Total Operating Expenses	\$ 1,181,164	\$ -	\$ -	\$ 1,181,164
97000 Excess of Operating Revenue over Operating Expenses	\$ 500,467	\$ 18,000	\$ -	\$ 518,467
97100 Extraordinary Maintenance	24,800	-	-	24,800
97200 Casualty Losses - Non-capitalized	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-
97350 HAP Portability-In	-	-	-	-
97400 Depreciation Expense	365,751	-	-	365,751

Housing Authority of the City of Donaldsonville (LA043)
DONALDSONVILLE, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 12/31/2023

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	ELIM	Total Enterprise Fund
97500 Fraud Losses	-	-	-	-
90000 Total Expenses	\$ 1,571,715	\$ -	\$ -	\$ 1,571,715
10010 Operating Transfer In	60,779	-	(60,779)	-
10020 Operating transfer Out	(60,779)	-	60,779	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 109,916	\$ 18,000	\$ -	\$ 127,916
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 3,625,074	\$ -	\$ -	\$ 3,625,074
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	18,000	(18,000)	-	-
11170 Administrative Fee Equity	\$ -	\$ -	-	\$ -
11180 Housing Assistance Payments Equity	\$ -	\$ -	-	\$ -
11190 Unit Months Available	1,681	-	-	1,681
11210 Number of Unit Months Leased	1,584	-	-	1,584
11610 Land Purchases	\$ -	\$ -	-	\$ -
11620 Building Purchases	3,014,083	-	-	3,014,083
11630 Furniture & Equipment - Dwelling Purchases	26,975	-	-	26,975
11640 Furniture & Equipment - Administrative Purchases	4,812	-	-	4,812
11650 Leasehold Improvements Purchases	80,585	-	-	80,585
13901 Replacement Housing Factor Funds	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2023

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes No

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

Yes None
Reported

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

Yes No

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

DECEMBER 31, 2023

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None

HOUSING AUTHORITY OF THE CITY OF
DONALDSONVILLE, LOUISIANA

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

YEAR ENDED DECEMBER 31, 2023

EXPENDITURE PURPOSE

Salary	<u>\$ 104,096</u>
Benefits - Insurance	<u>13,051</u>
Benefits - Retirement	<u>13,122</u>
Per Diem	<u>1,085</u>
Registration Fees	<u>575</u>
Conference Travel	<u>1,506</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 133,435</u></u>

Agency Head: Ruth Franklin, Executive Director

NOTE 1 – BASIS OF PRESENTATION

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of Donaldsonville
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the period of January 1, 2023 through December 31, 2023. The Housing Authority of the City of Donaldsonville's (the Authority's) management is responsible for those C/C areas identified in the SAUPs.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUP's for the period of January 1, 2023 through December 31, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

The associated results and conclusions are as follows:

Written Policies and Procedures

The following exceptions were noted during a review of the Authority's policies and procedures: A) the Purchasing Policy does not address how vendors are added to the vendor list; and B) a Debt Service Policy has not been executed. Other applicable Written Policies and Procedures business functions outlined in Addendum A (attached) were addressed without exception.

Board

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

Bank Reconciliations

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

Collections

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

Disbursements

The Authority's purchase processes do not require the involvement of at least two employees. Other Disbursements functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

Credit Cards

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

Travel and Expense Reimbursement

The Authority's meal reimbursement rate varies depending on the distance of the travel destination location from the Authority. The Authority's meal reimbursement rate for travel to destination locations over 50 miles from the Authority exceeds the State and Federal reimbursement rates. Other Travel and Expense Reimbursement functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

Contracts

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

Payroll and Personnel

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

Ethics

Ethics functions outlined in Addendum A (attached) were sufficiently addressed and adhered to. There were no changes to the Ethics Policy during 2023.

Debt Service

While a construction loan did convert to a permanent loan, the Authority did not enter into any new debt agreements during 2023. Other Debt Service functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

Fraud Notice

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

Information Technology Disaster Recovery/Business Continuity

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

Sexual Harassment

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

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

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

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

This report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Aprio, LLP

Birmingham, Alabama
May 30, 2024

ADDENDUM A

PROCEDURES

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

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:⁴
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

⁴ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics⁵**, 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 Committee⁶

- 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.

⁵ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

⁶ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds⁷, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁸ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.⁹

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts¹⁰ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1

⁷Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁸ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁹ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

¹⁰ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

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

4) Collections (excluding electronic funds transfers)¹¹

- A. Obtain a listing of deposit sites¹² 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 locations¹³ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

¹¹ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

¹² A deposit site is a physical location where a deposit is prepared and reconciled.

¹³ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
 - i. Observe that receipts are sequentially pre-numbered.¹⁴
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt¹⁵ at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;

¹⁴ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

¹⁵ As required by Louisiana Revised Statute 39:1212.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

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

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

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

- numbers and the names of the persons who maintained possession of the cards¹⁶. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)¹⁷. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements¹⁸ (excluding card transactions)

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

¹⁶ Including cards used by school staff for either school operations or school activity fund operations.

¹⁷ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

¹⁸ Non-travel reimbursements are not required to be inspected under this category.

that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁹ (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if

¹⁹ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" (R.S. 38:2211 *et seq*) with "Louisiana Procurement Code."

- approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials²⁰ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials²¹ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

²⁰ "Officials" would include those elected, as well as board members who are appointed.

²¹ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

10) Ethics²²

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

11) Debt Service²³

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice²⁴

- 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

²² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²³ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²⁴ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs. The notice is available for download at www.la.gov/hotline

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

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

13) Information Technology Disaster Recovery/Business Continuity

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

technology assets have completed cybersecurity training as required by R.S. 42:1267²⁵. The requirements are as follows:

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

14) Prevention of Sexual Harassment²⁶

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

²⁵ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

²⁶ While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

ADDENDUM B

HOUSING AUTHORITY OF THE CITY OF DONALDSONVILLE
DONALDSONVILLE, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED-UPON PROCEDURES

CORRECTIVE ACTION PLAN

DECEMBER 31, 2023

Written Policies and Procedures

The Authority will update its Purchasing Policy to address the vendor list, and will execute a Debt Service Policy.

Disbursements

The Authority will review its purchasing processes for potential improvements.

Travel and Expense Reimbursement

The Authority will modify its meal reimbursement rates to not exceed the applicable State rates.