

HOUSING AUTHORITY OF THE TOWN OF BERWICK

BERWICK, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2021



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Housing Authority of the Town of Berwick
Berwick, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Berwick (the "Authority") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of December 31, 2021, 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 Opinions

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

Responsibilities of Management for the Financial Statements

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



To the Board of Commissioners of
Housing Authority of the Town of Berwick
June 2, 2022

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance 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.



To the Board of Commissioners of
Housing Authority of the Town of Berwick
June 2, 2022

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The HUD financial data schedules and statement of certification of actual modernization costs completed are presented for the purpose of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for the purpose of additional analysis as required by Louisiana Revised Statute 24:513(A)(3) and is also 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.



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
Housing Authority of the Town of Berwick
June 2, 2022

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 HUD financial data schedules, statement of certification of actual modernization costs completed, and schedule of compensation, benefits, and other payments to agency head, 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 June 2, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the Town of Berwick's internal control over financial reporting and compliance.

June 2, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Our discussion and analysis of the Housing Authority of the Town of Berwick's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2021.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

USING THIS ANNUAL FINANCIAL REPORT

The Authority's annual financial report consists of financial statements that report information about the Authority's most significant programs, such as the Authority's Public Housing and Capital Fund Programs.

An outline of the annual financial report's content is as follows:

- I. Independent Auditors' Report
- II. Required Supplementary Information
- III. Basic Financial Statements
- IV. Notes to the Financial Statements
- V. Other Supplemental Information

Our auditor has provided assurance in their independent auditors' report on pages 1 through 4 that the basic financial statements are fairly stated. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the annual financial report.

FINANCIAL HIGHLIGHTS

Total spending for all programs was approximately \$1,031,000 for the year ended December 31, 2021. Total operating revenue was approximately \$820,000, of which tenant-related income comprised approximately \$403,300 or 49.2%. Subsidies and grants from the U.S. Department of Housing and Urban Development (HUD) comprised 48.8% of total revenue.

Public Housing Authorities' (PHAs) annual budgets are based on mandated procedures that serve to determine every PHA's total and final funding amount. The funding is based on a calendar year. Operating Fund Subsidy increased from approximately \$373,200 in 2020 to \$416,400 in 2021, a 11.6% increase from the prior year, mainly due to the change in pro-ration from the prior year.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

FINANCIAL ANALYSIS

The Authority's net position was approximately \$2.086 million at December 31, 2021.

The following analysis focuses on the net position and the change in net position of the Authority as a whole.

Condensed Statement of Net Position

	<u>12/31/21</u>	<u>12/31/20</u>
Current assets	\$ 703,302	\$ 602,978
Capital assets, net	<u>1,457,019</u>	<u>1,507,209</u>
 Total assets	 <u>2,160,321</u>	 <u>2,110,187</u>
 Current liabilities	 48,334	 68,301
Noncurrent liabilities	<u>25,707</u>	<u>29,963</u>
 Total liabilities	 <u>74,041</u>	 <u>98,264</u>
 Net position		
Net investment in capital assets	1,457,019	1,507,209
Unrestricted	<u>629,261</u>	<u>504,714</u>
 Total net position	 <u>\$ 2,086,280</u>	 <u>\$ 2,011,923</u>

Current assets increased by approximately \$100,000 or 16.6% from the prior year as a result of operations. Capital assets decreased by approximately \$50,200 (3.3%) from the prior year, largely due to current year depreciation expense offset by current year additions. The aggregation of these factors affecting current assets and capital assets resulted in increase in total assets of \$50,100 (2.4%).

Total liabilities decreased by approximately \$24,200 (24.7%) during the current year which is primarily due to the waiver of payments in lieu of taxes due in 2021.

The increase of approximately \$74,400 in net position is largely due to normal operations.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

MDA

Condensed Statement of Revenues, Expenditures and Changes in Net Position

	<u>12/31/21</u>	<u>12/31/20</u>
Operating revenues:		
Charges for services	\$ 403,277	\$ 358,698
Operating grants	416,392	373,211
Non-operating revenues:		
Capital grants	123,700	180,642
Interest earnings	357	674
Other non-operating receipts	<u>162,008</u>	<u>82,532</u>
Total revenues	<u>1,105,734</u>	<u>995,758</u>
Operating expenses		
Administration	324,136	313,985
Tenant services	-	2,859
Utilities	103,946	101,869
Ordinary maintenance and operations	265,261	203,090
General expenses	157,870	157,120
Depreciation	<u>180,164</u>	<u>167,994</u>
Total expenses	<u>1,031,377</u>	<u>946,917</u>
Change in net position	<u>\$ 74,357</u>	<u>\$ 48,841</u>
Net position, ending	<u>\$ 2,086,280</u>	<u>\$ 2,011,923</u>

Total revenues increased by approximately \$110,000 or 11.0%, and total expenses increased by approximately \$84,500 or 8.9%. The increase in revenues is primarily attributed to the increase in dwelling rental income and operating grants. The increase in operating expenses is primarily attributed to the increase in ordinary maintenance and operations.

The Authority's net position increased by \$74,400. The increase is primarily attributed to normal operations.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

CAPITAL ASSETS

At December 31, 2021, the Authority had approximately \$7.6 million invested in a broad range of capital assets including land, buildings, furniture and equipment and construction in progress. This amount represents a net decrease (including additions, deductions and depreciation) of approximately \$50,200 or 3.3% from last year. The majority of the change is due to current year depreciation expense offset by the completion of the modernization project. For more information see Note 4 in the notes to the financial statements.

	<u>12/31/21</u>	<u>12/31/20</u>
Land	\$ 179,085	\$ 179,085
Building & improvements	7,149,626	6,827,907
Furniture and equipment	158,650	164,634
Construction in progress	<u>138,125</u>	<u>336,145</u>
	7,625,486	7,507,771
Less accumulated depreciation	<u>(6,168,467)</u>	<u>(6,000,562)</u>
Capital assets, net of depreciation	<u>\$ 1,457,019</u>	<u>\$ 1,507,209</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget via appropriations rather than by local economic conditions. The Capital fund programs are multiple year budgets and have remained relatively stable. Capital funds are used for the modernization of public housing properties including the administrative fees involved in the modernization.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Mr. Clarence Robinson, Executive Director, Housing Authority of the Town of Berwick, 2751 Fifth Street, Berwick, Louisiana 70342.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS:

Cash and cash equivalents	\$ 501,450
Receivables:	
Tenant receivable, net of allowance for doubtful accounts	498
Accrued interest receivable	25
Other receivables	12,306
Investments	92,722
Prepaid expenses	53,854
Inventory	6,897
Restricted cash and cash equivalents	35,550
Capital assets not being depreciated	317,210
Capital assets being depreciated, net of accumulated depreciation	<u>1,139,809</u>
 Total assets	 <u>2,160,321</u>

LIABILITIES:

Accounts payable	3,574
Unearned revenue	206
Liabilities payable from restricted assets:	
Deposits held in trust	35,550
Noncurrent liabilities:	
Due within one year	9,004
Due in more than one year	<u>25,707</u>
 Total liabilities	 <u>74,041</u>

NET POSITION:

Net investment in capital assets	1,457,019
Unrestricted	<u>629,261</u>
 Total net position	 <u>\$ 2,086,280</u>

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

OPERATING REVENUES:

Charges for services:	
Dwelling rental	\$ 393,186
Dwelling revenue - other	10,091
Operating grants and contributions:	
HUD PHA operating grants	<u>416,392</u>
 Total operating revenues	 <u>819,669</u>

OPERATING EXPENSES:

Administration	324,136
Utilities	103,946
Ordinary maintenance and operations	265,261
General expense	157,870
Depreciation expense	<u>180,164</u>
 Total operating expenses	 <u>1,031,377</u>
 Net operating (loss)	 <u>(211,708)</u>

NON-OPERATING REVENUES:

Capital grants	123,700
Other non-operating receipts	162,008
Interest income	<u>357</u>
 Total non-operating revenues	 <u>286,065</u>
 Change in net position	 74,357
 Net position - beginning as restated	 <u>2,011,923</u>
 Net position - ending	 <u>\$ 2,086,280</u>

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM (USED FOR) OPERATING**ACTIVITIES:**

Receipts from tenants	\$ 404,233
Receipts from federal agencies	416,392
Payments to vendors and suppliers	(485,466)
Payments to employees	<u>(398,057)</u>
Net cash from operating activities	<u>(62,898)</u>

CASH FLOWS FROM (USED FOR) NON-CAPITAL**FINANCING ACTIVITIES:**

Non-operating revenues	<u>156,735</u>
Net cash from non-capital financing activities	<u>156,735</u>

CASH FLOWS FROM (USED FOR) CAPITAL AND**RELATED FINANCING ACTIVITIES:**

Proceeds from capital grants	123,700
Acquisition and construction of capital assets	<u>(129,974)</u>
Net cash (used for) capital and related financing activities	<u>(6,274)</u>
Net change in cash and cash equivalents	<u>87,563</u>
Cash and cash equivalents at December 31, 2020	<u>449,437</u>
Cash and cash equivalents at December 31, 2021	<u><u>\$ 537,000</u></u>

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Reconciliation of operating (loss) to net cash from operating activities:

Operating (loss)	\$ (211,708)
Adjustments to reconcile operating (loss) to net cash used in operating activities:	
Depreciation	180,164
(Increase) decrease in assets:	
Tenant receivable	130
Prepaid expenses	(8,095)
Inventory	834
Increase (decrease) in liabilities:	
Accounts payable	(21,545)
Unearned revenue	(274)
Deposits held in trust	1,100
Compensated absences	<u>(3,504)</u>
Net cash from operating activities	<u><u>\$ (62,898)</u></u>

Reconciliation of cash and cash equivalents to statement of net position:

Cash and cash equivalents - unrestricted	\$ 501,450
Cash and cash equivalents - restricted	<u>35,550</u>
Totals	<u><u>\$ 537,000</u></u>

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Housing Authority of the Town of Berwick (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Authority was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the Town of Berwick, Louisiana.

The Authority has a five-member appointed Board of Commissioners and is headed by an Executive Director. The Board has the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters.

GASB Statement No. 14, as amended by GASB Statement No. 39 and 61, establishes criteria for determining the governmental reporting entity. Under the provisions of this statement, the Authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in the GASB statements, fiscally independent means that the Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursement of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The Authority has no component units, defined by the GASB statements as other legally separate organizations for which the elected Authority members are financially accountable.

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

Governmental-Wide Financial Statements

The Authority's basic financial statements consist of proprietary statements, including a statement of net position, a statement of revenues, expenditures and changes in net position and a statement of cash flows.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The proprietary statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Shared revenues are recognized when the provider government recognized the liability to the Authority. Grants are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

State appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. For financial purposes, the Authority reports all of its primary government operations as a single business activity in a single proprietary enterprise fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Authority has elected not to follow subsequent private-sector guidance.

The Authority does not use encumbrance accounting.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are HUD provided federal grants and tenant rent payments. The major operating expenses of the Authority include administrative, utilities, ordinary maintenance and operations, general, and depreciation expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets

The Authority prepares budgets for the Conventional and Capital Fund programs. The Board of Commissioners approves the Conventional and Capital Fund budgets. HUD approves the Capital Fund budget. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of net position, cash includes all demand deposit and interest-bearing demand deposit accounts of the Authority. For the purposes of the proprietary funds statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. In accordance with Louisiana Statutes, the Authority maintains deposits at those depository banks authorized by the Authority. All such depositories are members of the Federal Reserve System.

Investments

Investments are limited by R.S 33:2955 and the Authority's investment policy. If the original maturities of investments exceed three months, they are classified as investments for financial reporting purposes. If the original maturities are three months or less, they are classified as cash equivalents.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Authority's statement of net position.

Restricted Assets

Restricted cash on the statement of net position for the Authority represents tenant security deposits. Restricted cash is more fully detailed in Note 3.

Receivables

Accounts receivable from tenants are stated at net realizable value as required by GAAP. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of December 31, 2021, the Authority deemed all amounts fully collectible and did not record an allowance for doubtful accounts.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets are recorded at historical cost and are depreciated over their estimated useful lives. Capital assets include all items costing over \$1,500. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	33
Modernization and improvements	15
Furniture and equipment	3 - 7

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Authority has no items that qualify for reporting in this category.

Compensated Absences

The Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the classified employee is not paid for them if not used by his/her retirement or termination date.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

In the government-wide proprietary financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and 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 – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Restricted Net Position

Restrictions, when appropriate, represent those portions of net position that are restricted in use by external parties or by law for a specific future use. There were no restrictions of net position as of December 31, 2021. When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds during the reporting period. Actual results could differ from those estimates.

Date of Management’s Review

Subsequent events have been evaluated through June 2, 2022, the date the financial statements were available to be issued.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(2) CASH AND CASH EQUIVALENTS

At December 31, 2021 the carrying amount of the Authority's bank deposits was \$537,000. These deposits are stated at cost, which approximates market. The Authority does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

Cash and deposits are categorized into three categories of credit risk. Category 1 includes deposits covered by federal depository insurance or by collateral held by the Authority or its agent, in the Authority's name. Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the Authority's name. Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Authority's name, and deposits which are uninsured or uncollateralized.

At December 31, 2021, the bank balance was \$559,174. Of the bank balance, \$250,000 was covered by federal depository insurance (Category 1). In compliance with State laws, the remaining balance of \$309,174 was secured by bank owned securities specifically pledged to the Authority and held by an independent custodian bank jointly in the name of the Authority and the depository bank (Category 2). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand. Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. At December 31, 2021, there were no deposits held by the Authority that were exposed to custodial credit risk representing uninsured deposits collateralized by a pledging bank's trust department but not in the Authority's name.

State statutes authorize the Authority to invest in the following types of securities: (1) fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana; (2) direct obligations of the U.S. Government; (3) obligations of U.S. Government agencies that are deliverable on the Federal Reserve System; and (4) repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

(3) RESTRICTED ASSETS CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents at December 31, 2021 are restricted as follows:

Description	Amount
Tenant security deposits	\$ <u>35,550</u>

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(4) CAPITAL ASSETS

A summary of changes in proprietary fund type capital assets as of December 31, 2021 is as follows:

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/21</u>
Capital assets, not being depreciated:				
Land	\$ 179,085	\$ -	\$ -	\$ 179,085
Construction in progress	<u>336,145</u>	<u>119,606</u>	<u>(317,626)</u>	<u>138,125</u>
Total capital assets not being depreciated	<u>515,230</u>	<u>119,606</u>	<u>(317,626)</u>	<u>317,210</u>
Capital assets, being depreciated:				
Building and improvements	6,827,907	321,719	-	7,149,626
Furniture and equipment	<u>164,634</u>	<u>6,275</u>	<u>(12,259)</u>	<u>158,650</u>
Total capital assets being depreciated	<u>6,992,541</u>	<u>327,994</u>	<u>(12,259)</u>	<u>7,308,276</u>
Less accumulated depreciation	<u>(6,000,562)</u>	<u>(180,164)</u>	<u>12,259</u>	<u>(6,168,467)</u>
Total capital assets being depreciated, net	<u>991,979</u>	<u>147,830</u>	<u>-</u>	<u>1,139,809</u>
Total capital assets, net	<u>\$ 1,507,209</u>	<u>\$ 267,436</u>	<u>\$ (317,626)</u>	<u>\$ 1,457,019</u>

Depreciation expense was \$180,164 for the year ended December 31, 2021.

(5) COMPENSATED ABSENCES

A summary of compensated absences is as follows:

	<u>Balance</u> <u>12/31/20</u>	<u>Net Increase</u> <u>(Decrease)</u>	<u>Balance</u> <u>12/31/21</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	<u>\$ 38,215</u>	<u>\$ (3,503)</u>	<u>\$ 34,711</u>	<u>\$ 9,004</u>

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(6) INTERAGENCY AGREEMENT

The Authority has entered into an agreement with the Morgan City Housing Authority (MCHA) whereby the Authority will manage the operations of MCHA. Under the agreement, the Authority's Executive Director is performing duties as Acting Executive Director for MCHA. The Authority is reimbursed for all expenses and costs of operating MCHA not to exceed 24 hours per week performed by the Acting Executive Director. The Authority received reimbursements totaling \$121,792 for the year ended December 31, 2021.

(7) CARES ACT FUNDING

During the year ended December 31, 2021, the Authority was awarded supplemental funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Authority was awarded \$12,410 of Supplemental Public Housing Operating funding which was expended during the year ended December 31, 2021.

(8) RETIREMENT PLAN

The Authority participates in the Housing Agency Retirement Trust plan, a defined contribution plan administered by Mercer. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Authority provides retirement benefits for all full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month following the completion of six months of continuous employment. Plan provisions and changes to plan contributions are determined by the Board of the Authority. Total contributions to the plan were \$10,064 for the year ended December 31, 2021.

Under the plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 4% of each participant's basic (excludes overtime) compensation. Employees are required to contribute 4% of their annual covered salary.

The Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Authority. No payments were made out of the forfeiture account for the year ended December 31, 2020.

Normal retirement date shall be the first day of the month following the employee's 65th birthday or after ten years of participation in the plan.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(9) RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority maintains commercial insurance to mitigate these risks. Settled claims have not exceeded insurance coverage in any of the past three years.

(10) CONCENTRATIONS

For the year ended December 31, 2021, the Authority received approximately 49% of its total revenue from federal sources (U.S. Department of Housing and Urban Development).

(11) PAYMENT IN LIEU OF PROPERTY TAXES

In accordance with a cooperative agreement with the Town of Berwick, the Authority is not required to pay property taxes. Instead, the Authority is required to make payments in lieu of property taxes if and when funds may become available. Payments in lieu of property taxes of \$29,183 were not required to be made during the year ended December 31, 2021 and are recorded in other nonoperating revenue.

(12) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 87, "*Leases*." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 as postponed by GASB Statement No. 95. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 92, "*Omnibus 2020*." The objective of this Statement is to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to reinsurance recoveries, derivative instruments, intra-entity transfers of assets, post-employment benefit arrangements, fair value measurements, and measurements of liabilities associated with AROs in a government acquisition. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 as postponed by GASB Statement No. 95. The Authority plans to adopt this Statement as applicable by the effective date.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(12) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement addresses the postponement of effective dates of certain provision in Statements and Implementation Guides that first became effective or are schedule to become effective for periods beginning after June 15, 2018. The provisions affected are Statement’s No. 83, 84, 87, 88, 89, 90, 91, 92, 93, and Implementation Guide’s No. 2017-3, 2018-1, 2019-1, 2019-2, and 2019-3. The Authority plans to adopt the amendments in this Statement as applicable by the effective dates.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
 BERWICK, LOUISIANA
 HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA BY PROJECT
 DECEMBER 31, 2021

		LA056000056				
Line Item #	Account Description	Conventional Program	CARES	Total CFP	Eliminations	Total
ASSETS:						
Current assets:						
Cash:						
111	Cash - unrestricted	\$ 501,450	\$ -	\$ -	\$ -	\$ 501,450
114	Cash - tenant security deposits	35,550	-	-	-	35,550
100	Total cash	<u>537,000</u>	-	-	-	<u>537,000</u>
Accounts and notes receivables:						
124	Accounts receivable - Other government	12,306	-	-	-	12,306
126	Accounts receivable - tenants	498	-	-	-	498
129	Accrued interest receivable	25	-	-	-	25
120	Total receivables, net of allowance for doubtful accounts	<u>12,829</u>	-	-	-	<u>12,829</u>
131	Investments - unrestricted	92,722	-	-	-	92,722
142	Prepaid expenses and other assets	53,854	-	-	-	53,854
143	Inventories	7,260	-	-	-	7,260
143.1	Allowance for obsolete inventories	<u>(363)</u>	-	-	-	<u>(363)</u>
150	Total current assets	<u>703,302</u>	-	-	-	<u>703,302</u>
Noncurrent assets:						
Capital assets:						
161	Land	179,085	-	-	-	179,085
162	Buildings	6,437,232	-	-	-	6,437,232
163	Furniture, equipment and machinery - dwellings	46,904	-	-	-	46,904
164	Furniture, equipment and machinery - administration	111,746	-	-	-	111,746
165	Leasehold improvements	712,394	-	-	-	712,394
166	Accumulated depreciation	<u>(6,168,467)</u>	-	-	-	<u>(6,168,467)</u>
167	Construction in progress	138,125	-	-	-	138,125
160	Total capital assets, net of accumulated depreciation	<u>1,457,019</u>	-	-	-	<u>1,457,019</u>
180	Total noncurrent assets	<u>1,457,019</u>	-	-	-	<u>1,457,019</u>
190	Total assets	<u>2,160,321</u>	-	-	-	<u>2,160,321</u>
DEFERRED OUTFLOWS OF RESOURCES:						
200	Deferred outflows of resources	-	-	-	-	-
290	Total assets and deferred outflows of resources	<u>2,160,321</u>	-	-	-	<u>2,160,321</u>
LIABILITIES:						
Current liabilities						
312	Accounts payable ≤ 90 days	1,806	-	-	-	1,806
322	Accrued compensated absences - current portion	9,004	-	-	-	9,004
332	Accounts payable - PHA projects	1,768	-	-	-	1,768
341	Tenant security deposits	35,550	-	-	-	35,550
342	Unearned revenue	<u>206</u>	-	-	-	<u>206</u>
310	Total current liabilities	<u>48,334</u>	-	-	-	<u>48,334</u>
Noncurrent liabilities:						
354	Accrued compensated absences - non-current	<u>25,707</u>	-	-	-	<u>25,707</u>
350	Total noncurrent liabilities	<u>25,707</u>	-	-	-	<u>25,707</u>
300	Total liabilities	<u>74,041</u>	-	-	-	<u>74,041</u>
DEFERRED INFLOWS OF RESOURCES:						
400	Deferred inflows of resources	-	-	-	-	-
NET POSITION:						
508.4	Net investment in capital assets	1,457,019	-	-	-	1,457,019
512.4	Unrestricted net position	<u>629,261</u>	-	-	-	<u>629,261</u>
513	Total net position	<u>2,086,280</u>	-	-	-	<u>2,086,280</u>
600	Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,160,321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,160,321</u>

HOUSING AUTHORITY OF THE TOWN OF BERWICK
 BERWICK, LOUISIANA
 HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY PROJECT
 FOR THE YEAR ENDED DECEMBER 31, 2021

		LA056000056				
Line Item #	Account Description	Conventional Program	CARES	Total CFP	Eliminations	Total
REVENUE:						
70300	Net tenant rental revenue	\$ 393,186	\$ -	\$ -	\$ -	\$ 393,186
70400	Tenant revenue - other	10,091	-	-	-	10,091
70500	Total tenant revenue	403,277	-	-	-	403,277
70600	HUD PHA operating grants	345,148	12,410	58,834	-	416,392
70610	Capital grants	-	-	123,700	-	123,700
71100	Investment income - unrestricted	357	-	-	-	357
71500	Other revenue	162,008	-	-	-	162,008
70000	Total revenue	910,790	12,410	182,534	-	1,105,734
EXPENSES:						
Administrative:						
91100	Administrative salaries	175,603	3,305	-	-	178,908
91400	Advertising and marketing	1,344	-	-	-	1,344
91500	Employee benefit contributions - administrative	90,282	-	-	-	90,282
91600	Office expenses	17,749	8,757	-	-	26,506
91800	Travel	333	-	-	-	333
91900	Other	26,763	-	-	-	26,763
91000	Total administrative	312,074	12,062	-	-	324,136
Utilities:						
93100	Water	36,263	-	-	-	36,263
93200	Electricity	9,502	-	-	-	9,502
93300	Gas	32,671	-	-	-	32,671
93500	Labor	2,400	-	-	-	2,400
93600	Sewer	23,110	-	-	-	23,110
93000	Total utilities	103,946	-	-	-	103,946
Ordinary maintenance and operations:						
94100	Ordinary maintenance and operations - labor	67,410	-	-	-	67,410
94200	Ordinary maintenance and operations - materials and other	85,664	348	-	-	86,012
94300	Ordinary maintenance and operations - contract costs	58,792	-	-	-	58,792
94500	Employee benefit contributions - ordinary maintenance	53,047	-	-	-	53,047
94000	Total maintenance and operations	264,913	348	-	-	265,261
General expenses:						
96110	Property insurance	59,982	-	-	-	59,982
96120	Liability insurance	7,022	-	-	-	7,022
96130	Workmen's compensation	6,847	-	-	-	6,847
96140	All other insurance	47,423	-	-	-	47,423
96100	Total insurance premiums	121,274	-	-	-	121,274
96210	Compensated absences	4,886	-	-	-	4,886
96000	Payments in lieu of taxes	29,183	-	-	-	29,183
96400	Bad debt- tenant rents	2,527	-	-	-	2,527
96000	Total other general expenses	36,596	-	-	-	36,596
96900	Total operating expenses	838,803	12,410	-	-	851,213
97000	Excess revenue over operating expenses	71,987	-	182,534	-	254,521
97400	Depreciation expense	180,164	-	-	-	180,164
90000	Total expenses	1,018,967	12,410	-	-	1,031,377
OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	58,834	-	-	(58,834)	-
10020	Operating transfers out	-	-	(58,834)	58,834	-
10100	Total other financing sources (uses)	58,834	-	(58,834)	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ (49,343)	\$ -	\$ 123,700	\$ -	\$ 74,357
MEMO ACCOUNT INFORMATION:						
11030	Beginning equity	\$ 2,009,938	\$ -	\$ -	\$ -	\$ 2,009,938
11040	Prior period adjustments, equity transfers, and correction of errors	1,985	-	-	-	1,985
11190	Unit months available	1,518	-	-	-	1,518
11210	Unit months leased	1,499	-	-	-	1,499
11270	Excess cash	524,317	-	-	-	524,317
11630	Building purchases	-	-	111,701	-	111,701
11640	Furniture and equipment - administrative purchases	6,275	-	-	-	6,275
11650	Leasehold improvements purchases	-	-	12,000	-	12,000

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COSTS COMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2021

There were no Capital Fund programs closed out during the year ended December 31, 2021.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

Clarence Robinson, Jr.
Executive Director

Salary	\$	91,337
Benefits - insurance (health and dental)		22,476
Benefits - retirement		<u>3,658</u>
 Total compensation, benefits, and other payments	 \$	 <u>117,471</u>



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

To the Board of Commissioners of
Housing Authority of the Town of Berwick
Berwick, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the Town of Berwick (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 2, 2022.

Report on Internal Control over Financial Reporting

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

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

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



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
Housing Authority of the Town of Berwick
June 2, 2022

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose and is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 2, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

HOUSING AUTHORITY OF THE TOWN OF BERWICK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I - SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Housing Authority of the Town of Berwick.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements were reported in the 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*.
3. No instances of noncompliance material to the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. A management letter was not issued for the year ended December 31, 2021.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended December 31, 2021.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I - FINDINGS - FINANCIAL STATEMENT AUDIT

Not applicable.

SECTION II – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

Not applicable.

SECTION III – MANAGEMENT LETTER

Not applicable.

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 2021



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Housing Authority of the Town of Berwick

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Housing Authority of the Town of Berwick's management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority of the Town of Berwick has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

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

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

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

June 2, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES
JANUARY 1, 2021 – DECEMBER 31, 2021

WRITTEN POLICIES AND PROCEDURES

1. **Procedures:** 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:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: The written policies and procedures entirely address the functions of budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, credit cards, travel and expense reimbursement, ethics, information technology disaster recovery/business continuity and sexual harassment. Debt service is not applicable.

BOARD OR FINANCE COMMITTEE

- 2. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

BOARD OR FINANCE COMMITTEE (CONTINUED)

Results: Obtained the board committee meeting minutes for the year. The board meets on a regular basis and financial results were discussed.

BANK RECONCILIATIONS

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

Results: Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. Bank reconciliations had no reconciling items outstanding for more than 12 months at the statement closing date. The reconciled balance for the final month of the fiscal period agrees to the general ledger.

COLLECTIONS

4. **Procedures:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5):
5. **Procedures:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees responsible for cash collections do not share cash drawers/registers.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

COLLECTIONS (CONTINUED)

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: The Organization has separate employees for collecting cash and reconciling cash documentation. The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger. The employee responsible for reconciling collections is not responsible for collecting cash.

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

Results: The Organization does not accept cash deposits; therefore, this step is not applicable.

- 7. **Procedures:** Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

COLLECTIONS (CONTINUED)

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: The related collection documentation was traced to deposit slips. The deposit slip total agrees to the actual deposit per the bank statement. Regular periodic deposits were made after collection. The actual deposit per the bank statement agreed to the general ledger.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

- 8. **Procedures:** 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):
- 9. **Procedures:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - f) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - g) At least two employees are involved in processing and approving payments to vendors.
 - h) 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.
 - i) 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.

Results: The Organization had at least two employees involved in initiating a purchase request, approving a purchase, placing an order/making the purchase, and processing and approving payments to vendors. 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. Either the employee responsible for signing checks mails the payment or gives the signed checks to another employee to mail who is not responsible for processing payments.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS,
TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

10. **Procedures:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: The 5 disbursements matched the related original invoice/billing statement. The disbursement documentation included evidence of segregation of duties.

CREDIT CARDS/DEBIT CARDS/P-CARDS

11. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: Obtained a listing of all active credit cards and representation the listing is complete.

12. **Procedures:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: The monthly statements were approved in writing by someone other than the authorized card holder. There were no finance charges and/or late fees assessed on the selected statements.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

CREDIT CARDS/DEBIT CARDS/P-CARDS (CONTINUED)

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

Results: Each of the selected transactions were 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).

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

14. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

Results: The Organization only had two travel reimbursements made during the year. Each reimbursement agreed to the itemized receipt, supporting documentation of the business/public purpose, and the reimbursement was reviewed and approved in writing by someone other than the person receiving the reimbursement.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

CONTRACTS

15. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that the amendments were made in compliance with contract terms (e.g., if approval is required for any amendment, was approval documented)
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: The two sampled contracts were not required by law to be bid in accordance with the Louisiana Procurement Code or Public Bid Law. Each contract was approved by the governing board. There were no amendments to the contracts and all the payments agreed to the terms and conditions of the contract.

PAYROLL AND PERSONNEL

16. **Procedures:** Obtain a listing of employees and officials employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. **Procedures:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

PAYROLL AND PERSONNEL (CONTINUED)

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: Each employee selected had documentation of daily attendance and leave, supervisors approved the attendance and leave forms, any leave accrued or taken during the pay period is reflected in the cumulative leave records and the observed pay rate agreed to the authorized personnel file.

18. **Procedures:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employees' or officials' authorized pay rates in the employees' or officials' personnel files and agree the termination payment to entity policy.

Results: There were no termination payments made during the year.

19. **Procedures:** Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: Obtained management's representation that all taxes, payroll taxes, retirement contribution, and employee benefit premiums had been paid and required forms were filed timely.

ETHICS

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

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: Each of the 5 employees/officials selected had documentation demonstrating completion of one hour of ethics training during the year. There were no changes to the ethics policy during the year.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

DEBT SERVICE

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

Results: Not applicable. The Organization did not issue bonds/notes during the fiscal period.

22. **Procedures:** 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).

Results: Not applicable. The Organization did not have bonds/notes outstanding at the end of the year.

FRAUD

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

Results: There were no misappropriations of public funds and assets during the fiscal period.

24. **Procedures:** 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.

Results: The Organization has posted the required notice on its premises and website.

INFORMATION TECHNOLOGY/DISASTER RECOVERY/ BUSINESS CONTINUTY

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

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

**INFORMATION TECHNOLOGY/DISASTER RECOVERY/BUSINESS CONTINUITY
(CONTINUED)**

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedures and discussed the results with management.

SEXUAL HARASSMENT

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

Results: Each of the 5 employees/officials selected for testing had documentation demonstrating completion of at least one hour of sexual harassment training during the calendar year.

27. **Procedures:** 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).

Results: The Organization has posted its sexual harassment policy and complaint procedure on its website.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;

HOUSING AUTHORITY OF THE TOWN OF BERWICK
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 – DECEMBER 31, 2021

SEXUAL HARASSMENT (CONTINUED)

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results: The Organization's annual sexual harassment report for the year was dated before February 1 and included the applicable requirements of R.S. 42:344.