

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED JUNE 30, 2021

Mike Estes, P.C.

A Professional Accounting Corporation

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1 – 3
Management's Discussion and Analysis		4 – 10
Basic Financial Statements		
Statement of Net Position	A	11
Statement of Revenues, Expenses, and Changes in Fund Net Position	B	12
Statement of Cash Flows	C	13 – 14
Notes to the Basic Financial Statements		15 – 24
Index		15
Notes to Financial Statements		16 – 24
 <i><u>Other Reports Required by Governmental Auditing Standards</u></i>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		25 – 26
Schedule of Findings and Questioned Costs		27 – 39
Corrective Action Plan		40 – 46
Summary Schedule of Prior Audit Findings		47 – 48
Schedule of Management Letter Items		49
 <i><u>Supplementary Information</u></i>		
Statement of Modernization Costs – Uncompleted	D(1)	50
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Director	D(2)	51
Schedule of Expenditures of Federal Awards		52
Notes to the Schedule of Expenditures of Federal Awards		53
Financial Data Schedules		54 – 61



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners
Housing Authority of New Roads
New Roads, Louisiana

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Housing Authority of the City of New Roads, Louisiana as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of New Roads basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on the conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the basis for disclaimer of opinion paragraph, however, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion on the Financial Statements

We were unable to obtain sufficient documentation on various expenses and capital additions. The audit trail regarding tenant billings, recordings, and collections was inadequate. Accordingly, we were unable to obtain sufficient documentation on receipts, revenues, and receivables. In general, the accounting records were poor, with checks written out of sequence, gaps of checks missing at year-end, and invoices either missing or without adequate explanations.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Financial Statements" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Housing Authority of the City of New Roads, Louisiana. Accordingly, we do not express an opinion on these financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 10 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 general 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of New Roads, Louisiana's basic financial statements. The statement of modernization-uncompleted, financial data schedules, and other information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of modernization costs-uncompleted, financial data schedules, and other information as listed on the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of modernization-uncompleted, financial data schedules, and other information as listed on the table of contents 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 April 18, 2022 on our consideration of the Housing Authority of the City of New Roads, Louisiana'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 New Roads, Louisiana's internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the City of New Roads, Louisiana's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
April 18, 2022

HOUSING AUTHORITY OF NEW ROADS, LA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

June 30, 2021

The management of the Housing Authority of New Roads, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending June 30, 2021. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$1,262,518 at the close of the fiscal year ended 2021.
 - ✓ Of this amount, \$1,075,977 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ The remainder of \$186,541 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 33% of the total operating expenses of \$533,614 for the fiscal year 2021, which means the Authority might be able to operate for about 4 months using the unrestricted assets alone, compared to 9 months in the prior fiscal year.
- The Housing Authority's total net position decreased by \$54,339, a 4% decrease from the prior fiscal year 2020.
- The decrease in net position of these funds was accompanied by a decrease in unrestricted cash by \$200,719 from fiscal year 2020.
- The Authority Spent \$255,575 on capital asset additions.
- These changes led to a decrease in total assets by \$93,321 and a decrease in total liabilities by \$38,982. As a related measure of financial health, there are still over \$7 of current assets covering each dollar of total current liabilities, which compares to \$6 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of the fiscal year 2021?" The Statement of net position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net position and changes in net position. One can think of the Housing Authority's net position – the difference between assets and liabilities – as one way to measure the Authority's financial health or financial position. Over time, increases and decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

Public Housing Capital Fund Program	\$ 131,993
Low Rent Public Housing	114,138
Cares LR	<u>6,383</u>
Total funding received this current fiscal year	<u>\$ 252,514</u>

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$1,262,518 as of June 30, 2021. Of this amount, \$1,075,977 was invested in capital assets and \$186,541 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position.

Housing Authority of New Roads, LA
 Management's Discussion and Analysis (MD&A)
 June 30, 2021

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
 As of June 30, 2021**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets	\$ 228,592	\$ 453,908
Capital assets, net of depreciation	<u>1,075,977</u>	<u>943,982</u>
Total assets	<u>1,304,569</u>	<u>1,397,890</u>
LIABILITIES		
Current liabilities	32,069	77,396
Non-current liabilities	<u>9,982</u>	<u>3,637</u>
Total liabilities	<u>42,051</u>	<u>81,033</u>
NET POSITION		
Invested in capital assets, net of depreciation	1,075,977	943,982
Unrestricted net position	<u>186,541</u>	<u>372,875</u>
Total net position	<u>\$ 1,262,518</u>	<u>\$ 1,316,857</u>

The net position of these funds decreased by \$54,339, or by 4%, from those of the fiscal year 2020, as explained below. In the narrative that follows, the detailed factors causing this change are discussed:

Housing Authority of New Roads, LA
 Management's Discussion and Analysis (MD&A)
 June 30, 2021

CONDENSED FINANCIAL STATEMENTS (Continued)

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
 Fiscal Year Ended June 30, 2021**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Tenant Revenue	\$ 158,100	\$ 159,479
HUD grants for operations	252,514	434,209
Other non-tenant revenue	66,126	58,598
Total operating revenues	<u>476,740</u>	<u>652,286</u>
OPERATING EXPENSES		
General	121,772	93,552
Ordinary maintenance and repairs	78,619	90,068
Administrative expenses and management fees	197,040	195,923
Utilities	9,412	8,832
Tenant services	3,192	3,288
Depreciation	123,579	110,606
Total operating expenses	<u>533,614</u>	<u>502,269</u>
Income (losses) from operations	<u>(56,874)</u>	<u>150,017</u>
NON-OPERATING REVENUES		
Interest income	2,535	3,836
Total non-operating revenues	<u>2,535</u>	<u>3,836</u>
Income (losses) before capital contributions	<u>(54,339)</u>	<u>153,853</u>
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>-</u>
CHANGES IN NET POSITION	<u>(54,339)</u>	<u>153,853</u>
NET POSITION - BEGINNING	1,316,857	1,163,004
NET POSITION - END	<u>\$ 1,262,518</u>	<u>\$ 1,316,857</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and capital contributions decreased by \$176,847 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue decreased by \$1,379 from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Included in this total are other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) which decreased by \$2,179.
- Federal revenues from HUD for operations decreased by \$181,695 from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year to year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon the eligibility scale of each tenant.
- Total other operating revenue increased by \$7,628. Other income includes \$14,782 of waived PILOT, \$16,425 from payments of tenant repayment agreements, and \$27,997 of fees earned from managing the City's Section 8 program.

Compared with the prior fiscal year, total operating expenses increased \$31,345, or by 6%, but this also was made up of a combination of offsetting factors. Again, the reasons for most of these changes are listed below:

- Depreciation expense increased by \$12,973 from that of the prior fiscal year.
- Maintenance and repairs decreased by \$11,449 from that of the prior fiscal year due to changes in the following: Repair staff wages decreased by \$29,390 and related employee benefit contributions decreased by \$3,094. Materials used decreased by \$4,405 and contract labor costs increased by \$25,440.
- General Expenses increased by \$28,220 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$22. PILOT is calculated as a percentage of rent minus utilities and therefore changed proportionately to the changes in each of these. Insurance premiums decreased by \$6,891, other general expenses increased by \$1,244 and bad debts increased by \$30,012. Lastly, compensated absences increased by \$3,833.
- Administrative Expenses increased by \$1,117 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries decreased by \$4,998 and related employee benefit contributions increased by \$4,565; therefore, total staff salaries and benefits costs decreased. Outside professional fees changed as follows: audit fees decreased by \$860. In addition, staff travel reimbursements decreased by \$3,227, office expenses decreased by \$2,686 and sundry expenses increased by \$8,323.
- Utility expenses increased by \$580 from that of the prior fiscal year because water costs increased by \$30, electricity costs increased by \$586, gas costs decreased by \$55, and other utility expenses such as labor, benefits, garbage, sewage, and waste removal) increased by \$19.
- Total Tenant Services decreased by \$96 from that of the prior fiscal year due to the following combination of factors: relocation costs increased by \$3,192 and other tenant services decreased by \$3,288.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the Housing Authority had a total cost of \$3,839,626 invested in a broad range of assets and construction in progress from projects funded in 2020 through 2020, listed below. This amount, not including depreciation, represents an increase of \$255,575 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Statement of Capital Assets
 As of June 30, 2021**

	<u>2021</u>	<u>2020</u>
Land	\$ 92,379	\$ 92,379
Buildings	3,156,966	2,901,391
Leasehold improvements	448,767	448,767
Furniture and equipment	141,514	141,514
Accumulated Depreciation	<u>(2,763,649)</u>	<u>(2,640,069)</u>
Total	<u>\$ 1,075,977</u>	<u>\$ 943,982</u>

Debt

Non-current liabilities also include accrued annual leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The capital budgets for the 2022 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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 administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Thomas Nelson, at Housing Authority of New Roads, LA; 151 Cherry St, New Roads, LA 70760.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
STATEMENT OF NET POSITION

JUNE 30, 2021

ASSETS

Current assets

Cash and cash equivalents	\$ 73,927
Investments	109,959
Accounts receivable net	21,716
Interest receivable	669
Prepaid items and other assets	4,981
Inventory	4,808
Restricted assets - cash and cash equivalents	12,532

Total Current Assets	228,592
----------------------	---------

Capital Assets, net

Land and other non-depreciated assets	93,279
Other capital assets - net of depreciation	982,698

Total Capital Assets, net	1,075,977
---------------------------	-----------

Total Assets	\$ 1,304,569
--------------	--------------

LIABILITIES

Current Liabilities

Accounts payable	\$ 13,752
Unearned income	6,492
Compensated absences payable	3,630
Deposits due others	8,195

Total Current Liabilities	32,069
---------------------------	--------

Noncurrent Liabilities

Compensated absences payable	9,982
------------------------------	-------

Total Liabilities	42,051
-------------------	--------

NET POSITION

Net investment in capital assets	1,075,977
Unrestricted	186,541

Net Position	\$ 1,262,518
--------------	--------------

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

OPERATING REVENUES	
Dwelling rental	\$ 157,240
Governmental operating grants	252,514
Tenant revenue- other	860
Other income	66,126
	476,740
OPERATING EXPENSES	
Administration	197,040
Tenant services	3,192
Utilities	9,412
Ordinary maintenance & operations	78,619
General expenses	121,772
Depreciation	123,579
	533,614
Income (Loss) from Operations	(56,874)
Non Operating Revenues (Expenses)	
Interest earnings	2,535
	2,535
Income (Loss) before contribution	(54,339)
Capital Contribution	0
	(54,339)
Total net position - beginning	1,316,857
Total net position - ending	\$ 1,262,518

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 105,748
Other receipts	75,001
Federal grants	252,420
Payments to vendors	(222,998)
Payments to employees – net	(155,493)
	54,678
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(255,575)
	(255,575)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	2,639
Purchase of investments	(2,461)
	178
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(200,719)
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	287,178
CASH AND CASH EQUIVALENTS	End of Fiscal Year
	\$ 86,459

Continued

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

**RECONCILIATION OF OPERATING
INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING
ACTIVITIES**

Operating income (loss)	\$	(56,874)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense		123,579
Provision of uncollectible accounts		46,757
Change in assets and liabilities:		
Receivables		(47,801)
Inventories		4,684
Prepaid items		20,506
Account payables		(40,896)
Unearned income		3,948
Deposits due others		775
		<hr/>
Net cash provided (used) by operations	\$	<u>54,678</u>

Concluded

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

INDEX

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	16
A. REPORTING ENTITY	16
B. FUNDS	17
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	17
D. CASH AND CASH EQUIVALENTS.....	18
E. INVESTMENTS.....	18
F. REVENUE RECOGNITION	18
G. INVENTORY	18
H. PREPAID ITEMS.....	18
I. CAPITAL ASSETS	19
J. UNEARNED INCOME.....	19
K. COMPENSATED ABSENCES	19
L. POST EMPLOYMENT BENEFITS	19
M. NET POSITION AND FLOW ASSUMPTIONS.....	19
N. USE OF ESTIMATES.....	20
NOTE 2 – DEPOSITS AND INVESTMENTS.....	20
NOTE 3 – ACCOUNTS RECEIVABLE	21
NOTE 4 – CAPITAL ASSETS	21
NOTE 5 – ACCOUNTS PAYABLE.....	22
NOTE 6 – COMPENSATED ABSENCES.....	22
NOTE 7 – LONG – TERM OBLIGATIONS.....	22
NOTE 8 – RETIREMENT SYSTEM.....	23
NOTE 9 – COMMITMENTS AND CONTINGENCIES	23
NOTE 10 – ECONOMIC DEPENDENCE	24
NOTE 11 – SUBSEQUENT EVENTS	24

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the City of New Roads have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of New Roads, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 2004	60
-------------------	---------	----

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

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

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position sheet.

Proprietary funds distinguish 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 funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$86,459. This is comprised of cash and cash equivalents of \$73,927 and restricted assets – cash of \$12,532, on the statement of net position.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$2,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15-40 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

J. UNEARNED INCOME The Housing Authority reports prepaid revenues on its statement of net position. Prepaid revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for prepaid revenue is removed from the statement of net position and the revenue is recognized.

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

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

M. NET POSITION AND FLOW ASSUMPTIONS Net position is reported as restricted when constraints are placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

N. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2021. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$8,195 is restricted in the General Fund for security deposits. \$4,337 is restricted for an amount equal to unspent CARES Act funds.

At June 30, 2021, the Housing Authority's carrying amount of deposits was \$196,418 and the bank balance was \$213,251, which includes \$109,959 in certificates of deposits classified as investments. The entire bank balance was covered by FDIC Insurance.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at June 30, 2021, are as follows:

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 7,910
HUD	13,806
	21,716
Total	\$ 21,716

The tenants account receivables is net of an allowance for doubtful accounts of \$85,716.

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 92,379	\$ 0	\$ 0	\$ 92,379
Depreciable assets:				
Buildings	3,350,158	255,575	0	3,605,733
Furniture and equipment	141,514	0	0	141,514
Total capital assets	3,584,051	255,575	0	3,839,626
Less: accumulated depreciation				
Buildings	2,501,575	122,070	0	2,623,645
Furniture and equipment	138,495	1,509	0	140,004
Total accumulated depreciation	2,640,070	123,579	0	2,763,649
Total capital assets, net	\$ 943,981	\$ 131,996	\$ 0	\$ 1,075,977

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – ACCOUNTS PAYABLE The payables at June 30, 2021 are as follows:

Vendors	\$	12,265
Payroll taxes		
Retirement withheld		145
Utilities		1,342
Total	\$	13,752

NOTE 6 – COMPENSATED ABSENCES At June 30, 2021, employees of the Housing Authority have accumulated and vested \$13,612 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 7 – LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2021.

		Compensated Absences
Balance, beginning	\$	7,613
Additions		10,361
Deletions		(4,362)
Balance, ending		13,612
Amounts due in one year	\$	3,630

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 8 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan on the first day of the month after completing one month of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5% of his effective compensation, and may make additional contributions up to the minimum IRS individual limit. The employer is required to make monthly contributions equal to 9% of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority had required contributions of \$16,293 for the year ended June 30, 2021, of which \$7,718 was owed by the Housing Authority and \$8,575 was contributed by employees. No payments were made out of the forfeiture account. \$8,327 of checks written to the Plan for the period of January 2021 through July 2021 were held and outstanding as of June 30, 2021. See Audit Finding 2021-002.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments On September 8, 2020 it appears that the Authority extended an Employment Agreement with the Executive Director. See Auding Finding 2021-001.

The contract may be terminated for cause, as specified in the contract. The Board may also terminate without cause, if such termination, in the Board's opinion, serves the best interests of the Authority. If the Executive Director is terminated for any reason, due process is required, as outlined in the agreement. The Director may terminate the agreement upon 45 days of written notice to the Board.

The Executive Director will be paid any accrued salary through the date of termination, in the event termination should occur. The Director is also entitled to all earned annual leave at the time of separation, regardless of the reason for the separation.

The Executive Director was terminated on March 22, 2022.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at June 30, 2021. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing 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 for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, auto, bond, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council, Inc. Group Self Insurance Risk Management Agency risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

COVID-19 The COVID-19 pandemic has impacted the Authority's dealings with tenants and applicants. The Authority received a CARES Act grant of \$15,160.

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$252,514 to the Housing Authority, which represents approximately 52% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 11 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, April 18, 2022, of the independent auditor's report for potential recognition or disclosure in the financial statements.



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

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*

Independent Auditor's Report

Housing Authority of New Roads
New Roads, Louisiana

We have audited, 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, the financial statements of the Housing Authority of the City of New Roads, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of New Roads, Louisiana's basic financial statements, and have issued our report thereon dated April 18, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of New Roads, Louisiana's internal control over financial reporting (internal control) to determine the 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 Housing Authority of New Roads, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of New Roads, Louisiana'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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as Audit findings 2021-1, 2, 3, 4, and 5 to be material weaknesses. 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of finding and questioned costs, we identified a certain deficiency in internal control that we consider to be material weaknesses and significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of New Roads, Louisiana'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as Audit Findings 2021-1 through 7.

Response to Finding

The Housing Authority of New Roads, Louisiana's response to the finding identified in our audit is described in the accompanying Views of Responsible Officials and Planned Corrective Actions. The Housing Authority of New Roads, Louisiana's response was not subjected to the auditing procedure applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
April 18, 2022

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED YEAR ENDED JUNE 30, 2021

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified.
2. Internal Control Over Financial Reporting:
 - a. Material weakness(es) identified? yes no
 - b. Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Low Rent Program-CDFA#14.850, Capital Fund Program #14.872

2021-001-Documentation of Executive Director’s Salary Appears Inadequate

Criteria and Specific Requirement

All payments to employees, including those to the Executive Director, need to be adequately supported. This is required by generally accepted accounting principles, federal and state law. Louisiana state law requires all employees to account for their daily attendance. In addition, they are required to report the days or parts of days used for vacation, sick, or compensatory.

Condition Found

(a)-The former Executive Director (terminated in March 22, 2022) was paid under a salaried Employment Agreement. The last agreement for which we have a copy was renewed on June 27, 2018, effective through June 27, 2023. The September 8, 2020 board of commissioners minutes note that the contract was renewed. But the terms or salary amounts are not noted. We were unable to locate in the minutes the board approval for the initial operating budget for the year ended June 30, 2021. However, in the September 8, 2020 board minutes, the board approved an operating budget revision, although the revision is not specified. The Executive Director’s salary as listed in the operating budget that we have is \$85,000 for the audit year.

The E.D. began the year earning \$82,680, based on the hourly rate. Beginning with the pay period November 28, 2020 through December 12, 2020, the E.D.’s salary was raised to \$87,651, based on an increase in the hourly rate paid.

We have a copy of the November 12, 2020 minutes that contain no mention of salary raises. The heading is entitled “Minutes of the Board Meeting”, dated 3:00 p.m. We also have a copy of “Minutes of the *Rescheduled* Meeting,” also dated 3:00 p.m. on November 12, at which the board approved a cost -of-living increase to the staff. However, no percentages, dollar amounts, or individuals are noted.

In April 2022, we received two sets of copies of the board minutes for the year. One group was all signed by the E.D. and board chairperson. The other group was unsigned.

To date, we have not received any documentation of how these hourly rates or annual salary amounts used for the audit year were determined.

(b)-Although the E.D. was working under an Employment Agreement, per federal and state law, the E.D. was still considered an employee. State law requires all employees, including the E.D., to document their “daily attendance.”

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Per state law, as promulgated through State Attorney General’s Office opinions and the Governors’ Executive Orders, the E.D. is not required to document the time work started or stopped, lunch time taken, etc. At a minimum, however, the E.D., per state law as noted above, needs to keep an attestation of the total days and hours worked for each pay period. This is especially important when the E.D. earns and accrues vacation and sick time, like or similar to Civil Service rates.

This is considered to be a sworn statement from the Executive Director. It appears that the E.D. may have met this minimum state requirement, since the bi-monthly ADP timesheets include the days or hours in that time period used for vacation or sick time.

However, in our opinion, the time keeping by the Executive Director was inadequate. There is no record of which days, or parts of days, that the E.D. used for vacation or sick time. The E.D. usually worked from home, so there are no other employees that can vouch for the E.D.’s time worked. We consider this a poor internal control over payroll.

We noted this shortcoming in the prior audit and recommended the E.D. keep a record of daily attendance, as noted above. To date, we have received nothing of this nature.

(c)-The former Executive Director was paid \$350 per month for a car allowance, that totaled \$4,550 for the year. We noted that a tax-free car allowance has not been allowed by federal tax law for several years. We noted in the prior audit that the Executive Director should start paying taxes on this allowance. The former E.D. asserted at the outset of the audit that she currently pays taxes on this, but was asked to provide proof and she did not. No payroll taxes were withheld on the monthly \$350 payments.

The Authority is contingently liable for a portion of the federal payroll taxes not calculated on this \$4,550, plus prior year amounts open under the statute.

Cause

We do not know the cause.

Effect

It appears that the Personnel Policy was not fully followed. We also note that the Authority earned approximately \$28,000 in the audit year by managing the Section Eight program for another governmental agency. This requires more work from a two- person office staff than what another 60-unit Low Rent authority would require, without a similar agreement to also manage a Section Eight program. We do not have access to the agency’s audit report that contracts out this Section Eight service. If we had access, we could determine whether the Section Eight program had audit findings.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Recommendation

Executive Director's should document his or her daily attendance. We normally give three example types to E.D.s of how to adequately document this. Vacation and sick time earned, used, and carried over needs to be better documented, by noting the actual sick and vacation days.

Origination Date and Prior Year Reference

This was Finding 2020-001 in the prior year.

View of Responsible Official

I am Thomas Nelson, Interim Executive Director. I was appointed Interim on March 31, 2022. We are still trying to decide what we will do for permanent management. But I will recommend to the subsequent management that they follow these recommendations.

Low Rent Program-CDFA#14.850, Capital Fund Program #14.872

2021-002-Accounting Documentation and Cash Forecasting and Budgeting Needs Improvement

Criteria and Specific Requirement

Disbursements should be adequately supported by detailed invoices. In addition, adequate internal controls require that disbursements should include two authorized signatures. Payments should not be held. Critical services need to be timely paid for, for among other reasons, to prevent potential interruption or loss of services.

Condition Found

(a)-A minimum of \$48,647 of disbursements have either no or inadequate support. Construction of a firewall was started in the prior audit year. The procurement for that award was part of an audit finding in the prior year. The construction was finished in the current audit year. The final award amount, including two change orders, as signed off by the architect, was \$271,144, which was paid in ten progress payments, which were also signed by the architect. The total paid to the general contractor was \$279,319, for an overpayment of \$8,175. We asked both the former E.D. and also the architect for an explanation of the \$8,175 difference. We have received no explanation.

Fourteen payments were made between two entities for contracted maintenance. Most included a one or two work description on the check voucher, such as "carpentry." But there was no invoice detailing the actual work done, the date(s) the work was done, or the unit number. These fourteen payments totaled \$25,976. We asked but did not receive 1099's issued to these two entities.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

We also asked but did not receive a proof of insurance on these two. We have no evidence whether management or the board performed a proper review for conflict of interest or related party issues between the contractors versus the Authority's employees and board members.

There were other payments to these two contractors that did have adequate support.

Fourteen other payments that we randomly selected totaled \$10,608. These fourteen payments did not have adequate support.

\$3,915 of charge cards payments that we reviewed were unsupported.

(b)-The information submitted to the fee accounting was not kept or submitted in a conscientious manner. Instead of submitting monthly information, after a minimum of at least seven contacts by the fee accountant, finally several months of information was submitted at one time. Besides this being an undue burden on the fee accountant, the latter is unable to provide timely, monthly financial statements to management in this situation.

In addition, Checks were without explanation or written out of order, with gaps of checks missing. Invoices, when they existed, were printed on the backs of checks, and not always the applicable check. The cleared checks that we received often were sent with another month's bank statements.

(c)-Almost all of the checks only had one authorized co-signature. We noted in the prior audit that we received a copy of Resolution Number 2019-07-172. This resolution stated "The COVID-19 Revised Check Signing Procedures of the Housing Authority of New Roads was adopted and approved at a duly called meeting of the Board of Commissioners on July 17, 2019 at which a quorum was present approved and adopted by a vote of 4 For, 0 Opposed, and Abstentions." To our knowledge, COVID was not an issue in July 2019. We also received copies of a resolution approving the operating budget for the year ended June 30, 2020 and a resolution approving the 2019 Five Year Action Plan. The latter two are mentioned in the body of the minutes themselves. We do not see mention the minutes of the Revised Check Signing Policy.

At a September 23, 2020 board meeting, the board gave the E.D. authority to sign checks solely, due to social distancing due to COVID.

(d)-Property and general liability insurance coverage runs from April 1 to April 1. The insurance premium due for the coverage period of April 1, 2021-2022 was not paid until January 2022. We contacted the insurance company, which stated the coverage never lapsed.

(e)-\$8,327 of checks written to the defined contribution plan for the period of January 2021 through June 2021 were held and outstanding at the end of the audit year.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

As of January 31, 2022, these amounts were still outstanding. Federal and state pension law requires timely deposits of amounts withheld from employee checks, as well as Authority contributions.

Cause

We are unable to determine the exact cause. To the extent liabilities are not paid timely, if the reason is lack of liquid funds, this is a shortcoming in the Authority's cash forecasting and budget processes.

Effect

There is a lack of confidence that the disbursements not supported as noted above were proper payments. Internal controls were not as strong as required by both accounting principles, federal and state regulations when invoices are not adequately supported, or there is only one authorized co-signature on a check.

Recommendation

Accounting records should be kept in a conscientious manner. Whenever possible, two authorized signatures should be required for each disbursement. Liabilities should be timely paid.

Origination Date and Prior Year Reference

This was part of Finding 2020-002 in the prior year.

View of Responsible Official

We will comply with the auditor's recommendations.

Low Rent Program-CDFA#14.850, Capital Fund Program #14.872

2021-003-Procurement and Monitoring Needs Improvement

Criteria and Specific Requirement

Federal regulations, as well as the Authority's own Procurement Policy, requires Management to properly procure and monitor procurement-related activities.

Condition Found

(a)-As noted in (a), second paragraph of the second audit finding, the Authority contracted principally with two entities to do routine maintenance and/or unit turnaround.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

We asked the former E.D. but did not receive any documentation on other bids received for these services. It appears that any one payment was below the Small Purchase Threshold (SPT), and in some instances this would not require other bids. But, as explained to the former E.D. in prior years, when it can be reasonably anticipated that several like-minded jobs will be required during the year, that when aggregated, will exceed the SPT, bids are required to solicited.

We also asked for proof of insurance and 1099's on these two entities, as noted in the above audit finding. We did not receive such documentation. We have no evidence whether management or the board performed a proper review for conflict of interest or related party issues between the contractors versus the Authority's employees and board members.

The Procurement Policy plus federal regulations require that the Authority's representative will monitor the work and produce monitoring reports. We asked but did not receive any reports.

(b)-The prior audit noted a procurement finding regarding a firewall. In the current year, we received adequate field reports and Employee Interviews generated by the architect. However, we asked but did not receive documentation that an Authority representative obtained the contractor payrolls and checked Davis-Bacon compliance. Also, even though the architect did the required field reports, the Authority's representative is still required to generate monitoring reports, although they do not have to be as extensive when an architect is retained. We asked but did not receive any reports.

(c)-During the year, an architectural design fee of \$19,680 was awarded for the design of a Early Learning Center. \$12,792 was paid before year-end. We asked but were unable to review the required Advertisement for Bid for an architect, a review and evaluation of the bids received, or board approval of the award.

(d)-In our review of subsequent events, we noted two new contractors paid during the year ended June 30, 2022. We asked for bids, proof of insurance, and 1099 information on these two entities. However, we did not receive anything.

Cause

We are not aware of the cause.

Effect

Controls are not as strong as needed to make sure the best work is solicited and performed, using the required bidding and monitoring procedures.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Recommendation

Jobs should be properly bid, in accordance with the Procurement Policy. Independent Cost Estimates are required by the Authority's Procurement Policy, as well as federal regulations, for awards above the small purchase threshold. Monitoring and checking for Davis Bacon-compliance have to be adequately documented for third party review.

Origination Date and Prior Reference

This was part of the prior Finding 2020-002 in the prior year.

Views of Responsible Official

We will comply with the auditor's recommendations.

Low Rent Program-CDFA#14.850

2021-004-Tenant File and Waiting List Maintenance Needs Improvement

Criteria and Specific Requirement

The Admissions and Occupancy Policy needs to be complied with.

Condition Found

We reviewed eight tenant files. Four were audit year move-ins, and four were audit year recertifications on tenants that were in the program at the beginning of the audit year. The following exceptions were found:

(a)-of the four current year move-ins tested, neither I nor the Authority assistant could locate the applicant on the waiting list. If any were disaster related, we could not find such documentation in the files. One of the files for an admit appeared to not include an application, birth certificate, photo identification, or 214-Declaration of Citizenship.

(b)-of the four recertifications reviewed, none of the four were timely re-certified (examined) in the audit year.

(c)-we reviewed notes of annual inspections on canary yellow paper. However, the notes were not transferred to inspection checklists, as required. It appears from the notes that some tenants should have been charged for excessive damages. If they were charged, we could not find such documentation.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

(d)-of the eight files reviewed, six show no tenant income or statement of support. This is an unusually high percentage. Authority briefers are encouraged and given tips by HUD to try to elicit from applicant-tenants of how they pay for every day expenses, such as food and transportation. We usually see at least a statement of support such as “I provide \$400 a month to Ms. X to assist her with her bills.”

(e)-utility allowances are required to be reviewed annually by federal regulations. When any category changes 10% or more since the last allowance revision, the allowances must be revised. We do not know when the utility allowances were last revised. We have sheets that say 2018-19, “Didn’t change 10%. No need to update.” We do not know who reviewed the utility allowances the last time this was done.

Cause

We do not know the cause.

Effect

Federal regulations were not complied with. Tenant rents were likely not as they would be calculated, if the regulations were followed. The current waiting list has 140 plus names. It needs to be purged. We note that according to the Authority assistant and the Interim Director, the Authority failed a REAC inspection in February 2022. We requested a copy of the inspection, but neither the assistant or the Interim Director claim they have a copy.

Recommendation

(a)-applicants need to be properly admitted from the waiting list. If they by pass the list because of disasters, this needs to be documented in the tenant file. The Authority uses a computerized waiting list. Once someone is admitted from the list, the name is deleted from the list.

A screen shot should be made of the waiting list daily and transferred to a pdf file (not printed). It appears HUD requires a minimum retention of one month’s waiting list.

In addition, I recommended to the Authority assistant (as I did in 2020 to the E.D. when she was available) that just before an applicant is admitted, a screen shot or similar needs to be made of the list. If the applicant is not at the top of the list, someone should note why the applicants above the one admitted were not-unable to locate, not interested in that unit, etc. The screen shot should not only be kept in the applicant’s file, but in a separate folder. If a third party asks for the documentation that the applicant was properly at the top of the list, the Authority should have a file available with this information for everyone admitted during the year.

(b)-the Authority’s software generates a list of tenants who have upcoming recerts. All recerts should be done timely.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

(c)-inspection forms should be properly filled out. Excessive damages should be charged and entered on the rental register and monitored.

(d)-a standard worksheet to elicit answers from tenants of how they buy food, etc. should be used.

(e)-utility allowances should be annually reviewed and revised if necessary.

Origination Date and Prior Year Reference

This finding originates this year.

View of Responsible Official

We will comply with the auditor's recommendations.

Low Rent Program #CDFFA 14.850

2021-005-Accounting for Tenant and Other Payments Needs Improvement

Criteria and Specific Requirement

Tenant and other receipts need to be timely deposited. There should be a clear trail from the payment of each tenant rent to the bank statement. In addition, except for the period of the COVID moratorium on tenant evictions, past due notices should be timely sent, and either back rent agreements or eviction proceedings should be initiated for past-due rent.

Condition Found

(a)- we could not trace from any one individual tenant receipt to the bank statement. It appears that Management uses a system which generates a receipts report that itemizes each tenant payment and flows to the payments column on the rental register. However, all the fee accountant or we as the auditor were provided were the individual deposit amounts that were credited on the monthly bank statement. We were not provided copies of even the deposit slips.

As a result of this poor internal control, we compared the total receipts on the rental register for the year to the total per the bank deposits. From our tests, it appears that \$4,506 more was shown on the rental register than what was credited on the bank statement for tenant receipts (\$120,464 versus \$115,958).

(b)-there was a consistent lag from when tenant receipts were collected until when they were deposited. It appeared they were never made timely.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

In addition, other receipts lagged. For example, a refund check from a software-seminar consultant of \$1,996 was dated April 23. The check was not deposited until July 28th. We noted other instances of lagging receipts of non-tenant payments.

(c)-On March 27, 2020, HUD imposed a moratorium on all tenant evictions. due to COVID. When the moratorium ended depends somewhat on interpretation and location. Some Louisiana PHA's followed the lifting in accordance with the CDC. Others were subject to a local judge's ruling. We asked the former E.D. but did not receive information when the moratorium ended in New Roads.

However, to our knowledge, the moratorium has ended in the last seven or so months for every Louisiana PHA.

As a result of the moratorium, most, if not all PHAs, have high tenant's accounts receivable. Per the unaudited financial statements, as of June 30, 2021, the Authority has approximately \$93,600 of tenant accounts receivable. At December 31, 2021, this balance had increased to \$117,000.

We inquired but did not find any documentation on back rent agreements or eviction proceedings, which HUD encouraged once the moratorium was lifted. Although most Authorities have high receivable balances post-COVID moratorium, as noted above, of the several authorities we audit, this Authority has the highest.

Cause

We do not know the cause.

Effect

Internal controls over tenant collections and other receipts are not as strong as they should be.

Recommendation

(a)-the audit trail should be improved. We should be able to track any one individual receipt to the bank statement.

(b)-bank deposits should be timely made.

(c)-Interim Management should review its current collection policy. HUD is encouraging authorities to either secure back rent agreements or start eviction proceedings where applicable. However, thirty days must be given before eviction can begin. We also suggest the Interim Executive Director consult with HUD about this matter, if he has not already done so.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Origination Date and Prior Year Reference

This was part of Finding 2020-004 in the prior year.

View of Responsible Official

We will comply with the auditor's recommendations.

Capital Fund Program #14.872

2021-006-Capital Fund Budget for 2018 Needs Revision and HUD Approval

Criteria and Specific Requirement

Draw downs from CFP programs must be used for line items in accordance with CFP-approved budgets, in accordance with its 5 Year Plan, and HUD Notice PIH 2016-18.

Condition Found

For the 2018 CFP program, Management drew down all of the authorized funds and used them for 1406 Operations. For the approved budget for the 2018 program for a total funding of \$126,374, only \$25,925 was approved for Operations.

Cause

Unknown

Effect

When CFP budgets are not followed, future CFP funding may be jeopardized.

Recommendation

Management should consult with HUD regarding this issue. The remaining fungibility of the Annual 5 Year Plan will likely have some impact on what the remedy is. The Actual Modernization Cost Certificates should be issued for the 2015-2020 CFP programs.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Origination Date and Prior Year Reference

This was audit finding 003 in the prior year report.

View of Responsible Official

We will comply with the auditor's recommendation.

Low Rent Program-CDFA#14.850, Capital Fund Program #14.872

2021-007-Late Filing with the Legislative Auditor

Criteria and Specific Requirement

The audit report is due no later than six months after year-end, or for this year, December 31, 2021.

Condition found

The audit report is just now being filed.

Cause

I reminded the Board Chairperson in July 2021 that they needed to contract for the audit for the year ended June 30, 2021. We were not contacted until the morning of January 20, 2022 and asked to submit a contract. We contracted shortly thereafter.

Effect

The state filing deadline was not met. Normally the audit would be due to HUD nine months after year end. But the Authority has an automatic six- month federal extension, due to COVID.

Recommendation

The Authority should timely contract for audits in the future.

Origination Date and Prior Year Reference

With an extension approved for COVID, the report for last year was timely filed.

Views of Responsible Officials

We will comply with the auditor's recommendations.

NEW ROADS HOUSING AUTHORITY
151 Cherry St
New Roads, LA 70760
Phone No. (225) 638-8940 Fax No. (225) 638-5375

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

Corrective Action Plan Finding:

2021-001-Documentation of Executive Director's Salary Appears Inadequate

Condition: (a)-The former Executive Director (terminated in March 22, 2022) was paid under a salaried Employment Agreement. The last agreement for which we have a copy was renewed on June 27, 2018, effective through June 27, 2023. The September 8, 2020 board of commissioners minutes note that the contract was renewed. But the terms or salary amounts are not noted. We were unable to locate in the minutes the board approval for the initial operating budget for the year ended June 30, 2021. However, in the September 8, 2020 board minutes, the board approved an operating budget revision, although the revision is not specified. The Executive Director's salary as listed in the operating budget that we have is \$85,000 for the audit year.

The E.D. began the year earning \$82,680, based on the hourly rate. Beginning with the pay period November 28, 2020 through December 12, 2020, the E.D.'s salary was raised to \$87,651, based on an increase in the hourly rate paid.

We have a copy of the November 12, 2020 minutes that contain no mention of salary raises. The heading is entitled "Minutes of the Board Meeting", dated 3:00 p.m. We also have a copy of "Minutes of the Rescheduled Meeting," also dated 3:00 p.m. on November 12, at which the board approved a cost -of-living increase to the staff. However, no percentages, dollar amounts, or individuals are noted.

In April 2022, we received two sets of copies of the board minutes for the year. One group was all signed by the E.D. and board chairperson. The other group was unsigned.

To date, we have not received any documentation of how these hourly rates or annual salary amounts used for the audit year were determined.

(b)-Although the E.D. was working under an Employment Agreement, per federal and state law, the E.D. was still considered an employee. State law requires all employees, including the E.D., to document their "daily attendance."

Per state law, as promulgated through State Attorney General's Office opinions and the Governors' Executive Orders, the E.D. is not required to document the time work started or stopped, lunch time taken, etc. At a minimum, however, the E.D., per state law as noted above, needs to keep an attestation of the total days and hours worked for each pay period. This is especially important when the E.D. earns and accrues vacation and sick time, like or similar to Civil Service rates.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

This is considered to be a sworn statement from the Executive Director. It appears that the E.D. may have met this minimum state requirement, since the bi-monthly ADP timesheets include the days or hours in that time period used for vacation or sick time.

However, in our opinion, the time keeping by the Executive Director was inadequate. There is no record of which days, or parts of days, that the E.D. used for vacation or sick time. The E.D. usually worked from home, so there are no other employees that can vouch for the E.D.'s time worked. We consider this a poor internal control over payroll.

We noted this shortcoming in the prior audit and recommended the E.D. keep a record of daily attendance, as noted above. To date, we have received nothing of this nature.

(c)-The former Executive Director was paid \$350 per month for a car allowance, that totaled \$4,550 for the year. We noted that a tax-free car allowance has not been allowed by federal tax law for several years. We noted in the prior audit that the Executive Director should start paying taxes on this allowance. The former E.D. asserted at the outset of the audit that she currently pays taxes on this, but was asked to provide proof and she did not. No payroll taxes were withheld on the monthly \$350 payments.

The Authority is contingently liable for a portion of the federal payroll taxes not calculated on this \$4,550, plus prior year amounts open under the statute.

Corrective Action Planned: I am Thomas Nelson, Interim Executive Director. I was appointed Interim on March 31, 2022. We are still trying to decide what we will do for permanent management. But I will recommend to the subsequent management that they follow these recommendations.

Person responsible for corrective action:

Thomas Nelson, Interim Executive Director
Housing Authority of New Roads
151 Cherry St
New Roads, LA 70760

Telephone: (225) 638-8940
Fax: (225) 638-5375

Anticipated Completion Date: June 30, 2022

Corrective Action Plan Finding:

2021-002-Accounting Documentation and Cash Forecasting and Budgeting Needs Improvement

Condition:

(a)-A minimum of \$48,647 of disbursements have either no or inadequate support. Construction of a firewall was started in the prior audit year. The procurement for that award was part of an audit finding in the prior year. The construction was finished in the current audit year. The final award amount, including two change orders, as signed off by the architect, was \$271,144, which was paid in ten progress payments, which were also signed by the architect. The total paid to the general contractor was \$279,319, for an overpayment of \$8,175. We have received no explanation.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

Fourteen payments were made between two entities for contracted maintenance. Most included a one or two work description on the check voucher, such as “carpentry.” But there was no invoice detailing the actual work done, the date(s) the work was done, or the unit number. These fourteen payments totaled \$25,976. We asked but did not receive 1099’s issued to these two entities.

We also asked but did not receive a proof of insurance on these two. We have no evidence whether management or the board performed a proper review for conflict of interest or related party issues between the contractors versus the Authority’s employees and board members.

There were other payments to these two contractors that did have adequate support.

Fourteen other payments that we randomly selected totaled \$10,608. These fourteen payments did not have adequate support.

\$3,915 of charge cards payments that we reviewed were unsupported.

(b)-The information submitted to the fee accounting was not kept or submitted in a conscientious manner. Instead of submitting monthly information, after a minimum of at least seven contacts by the fee accountant, finally several months of information was submitted at one time. Besides this being an undue burden on the fee accountant, the latter is unable to provide timely, monthly financial statements to management in this situation.

In addition, Checks were without explanation or written out of order, with gaps of checks missing. Invoices, when they existed, were printed on the backs of checks, and not always the applicable check. The cleared checks that we received often were sent with another month’s bank statements.

(c)-Almost all of the checks only had one authorized co-signature. We noted in the prior audit that we received a copy of Resolution Number 2019-07-172. This resolution stated “The COVID-19 Revised Check Signing Procedures of the Housing Authority of New Roads was adopted and approved at a duly called meeting of the Board of Commissioners on July 17,2019 at which a quorum was present approved and adopted by a vote of 4 For, 0 Opposed, and Abstentions.” To our knowledge, COVID was not an issue in July 2019. We also received copies of a resolution approving the operating budget for the year ended June 30, 2020 and a resolution approving the 2019 Five Year Action Plan. The latter two are mentioned in the body of the minutes themselves. We do not see mention the minutes of the Revised Check Signing Policy.

At a September 23, 2020 board meeting, the board gave the E.D. authority to sign checks solely, due to social distancing due to COVID.

(d)-Property and general liability insurance coverage runs from April 1 to April 1. The insurance premium due for the coverage period of April 1, 2021-2022 was not paid until January 2022. We contacted the insurance company, which stated the coverage never lapsed.

(e)-\$8,327 of checks written to the defined contribution plan for the period of January 2021 through June 2021 were held and outstanding at the end of the audit year.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

As of January 31, 2022, these amounts were still outstanding. Federal and state pension law requires timely deposits of amounts withheld from employee checks, as well as Authority contributions.

Corrective Action Planned: We will comply with the auditor's recommendations.

Person responsible for corrective action:

Thomas Nelson, Interim Executive Director
Housing Authority of New Roads
151 Cherry St
New Roads, LA 70760

Telephone: (225) 638-8940
Fax: (225) 638-5375

Anticipated Completion Date: June 30, 2022

Corrective Action Plan Finding:

2021-003-Procurement and Monitoring Needs Improvement

Condition: (a)-As noted in (a), second paragraph of the second audit finding, the Authority contracted principally with two entities to do routine maintenance and/or unit turnaround.

We asked the former E.D. but did not receive any documentation on other bids received for these services. It appears that any one payment was below the Small Purchase Threshold (SPT), and in some instances this would not require other bids. But, as explained to the former E.D. in prior years, when it can be reasonably anticipated that several like-minded jobs will be required during the year, that when aggregated, will exceed the SPT, bids are required to solicited.

We also asked for proof of insurance and 1099's on these two entities, as noted in the above audit finding. We did not receive such documentation. We have no evidence whether management or the board performed a proper review for conflict of interest or related party issues between the contractors versus the Authority's employees and board members.

The Procurement Policy plus federal regulations require that the Authority's representative will monitor the work and produce monitoring reports. We asked but did not receive any reports.

(b)-The prior audit noted a procurement finding regarding a firewall. In the current year, we received adequate field reports and Employee Interviews generated by the architect. However, we asked but did not receive documentation that an Authority representative obtained the contractor payrolls and checked Davis-Bacon compliance. Also, even though the architect did the required field reports, the Authority's representative is still required to generate monitoring reports, although they do not have to be as extensive when an architect is retained. We asked but did not receive any reports.

(c)-During the year, an architectural design fee of \$19,680 was awarded for the design of a Early Learning Center. \$12,792 was paid before year-end. We asked but were unable to review the required Advertisement for Bid for an architect, a review and evaluation of the bids received, or board approval of the award.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

(d)-In our review of subsequent events, we noted two new contractors paid during the year ended June 30, 2022. We asked for bids, proof of insurance, and 1099 information on these two entities. However, we did not receive anything.

Corrective Action Planned: We will comply with the auditor's recommendations.

Person responsible for corrective action:

Thomas Nelson, Interim Executive Director
Housing Authority of New Roads
151 Cherry St
New Roads, LA 70760

Telephone: (225) 638-8940
Fax: (225) 638-5375

Anticipated Completion Date: June 30, 2022

Corrective Action Plan Finding:

2021-004-Tenant File and Waiting List Needs Improvement

Condition: We reviewed eight tenant files. Four were audit year move-ins, and four were audit year recertifications on tenants that were in the program at the beginning of the audit year. The following exceptions were found:

(a)-of the four current year move-ins tested, neither I nor the Authority assistant could locate the applicant on the waiting list. If any were disaster related, we could not find such documentation in the files. One of the files for an admit appeared to not include an application, birth certificate, photo identification, or 214-Declaration of Citizenship.

(b)-of the four recertifications reviewed, none of the four were timely re-certified (examined) in the audit year.

(c)-we reviewed notes of annual inspections on canary yellow paper. However, the notes were not transferred to inspection checklists, as required. It appears from the notes that some tenants should have been charged for excessive damages. If they were charged, we could not find such documentation.

(d)-of the eight files reviewed, six show no tenant income or statement of support. This is an unusually high percentage. Authority briefers are encouraged and given tips by HUD to try to elicit from applicant-tenants of how they pay for every day expenses, such as food and transportation. We usually see at least a statement of support such as "I provide \$400 a month to Ms. X to assist her with her bills."

(e)-utility allowances are required to be reviewed annually by federal regulations. When any category changes 10% or more since the last allowance revision, the allowances must be revised. We do not know when the utility allowances were last revised. We have sheets that say 2018-19, "Didn't change 10%. No need to update." We do not know who reviewed the utility allowances the last time this was done.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

Corrective Action Planned: We will comply with the auditor's recommendations.

Person responsible for corrective action:

Thomas Nelson, Interim Executive Director
Housing Authority of New Roads
151 Cherry St
New Roads, LA 70760

Telephone: (225) 638-8940
Fax: (225) 638-5375

Anticipated Completion Date: June 30, 2022

Corrective Action Plan Finding:

2021-005-Accounting for Tenant and Other Payments Needs Improvement

Condition: (a)- we could not trace from any one individual tenant receipt to the bank statement. It appears that Management uses a system which generates a receipts report that itemizes each tenant payment and flows to the payments column on the rental register. However, all the fee accountant or we as the auditor were provided were the individual deposit amounts that were credited on the monthly bank statement. We were not provided copies of even the deposit slips.

As a result of this poor internal control, we compared the total receipts on the rental register for the year to the total per the bank deposits. From our tests, it appears that \$4,506 more was shown on the rental register than what was credited on the bank statement for tenant receipts (\$120,464 versus \$115,958).

(b)-there was a consistent lag from when tenant receipts were collected until when they were deposited. It appeared they were never made timely.

In addition, other receipts lagged. For example, a refund check from a software-seminar consultant of \$1,996 was dated April 23. The check was not deposited until July 28th. We noted other instances of lagging receipts of non-tenant payments.

(c)-On March 27, 2020, HUD imposed a moratorium on all tenant evictions. due to COVID. When the moratorium ended depends somewhat on interpretation and location. Some Louisiana PHA's followed the lifting in accordance with the CDC. Others were subject to a local judge's ruling. We asked the former E.D. but did not receive information when the moratorium ended in New Roads. However, to our knowledge, the moratorium has ended in the last seven or so months for every Louisiana PHA.

As a result of the moratorium, most, if not all PHAs, have high tenant's accounts receivable. Per the unaudited financial statements, as of June 30, 2021, the Authority has approximately \$93,600 of tenant accounts receivable. At December 31, 2021, this balance had increased to \$117,000.

We inquired but did not find any documentation on back rent agreements or eviction proceedings, which HUD encouraged once the moratorium was lifted. Although most Authorities have high receivable balances post-COVID moratorium, as noted above, of the several authorities we audit, this Authority has the highest.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

Corrective Action Planned: We will comply with the auditor's recommendations.

Person responsible for corrective action:

Thomas Nelson, Interim Executive Director
Housing Authority of New Roads
151 Cherry St
New Roads, LA 70760

Telephone: (225) 638-8940
Fax: (225) 638-5375

Anticipated Completion Date: June 30, 2022

Corrective Action Plan Finding:

2021-006-Capital Fund Budget for 2018 Needs Revision and HUD Approval

Condition: For the 2018 CFP program, Management drew down all of the authorized funds and used them for 1406 Operations. For the approved budget for the 2018 program for a total funding of \$126,374, only \$25,925 was approved for Operations.

Corrective Action Planned: We will comply with the auditor's recommendations.

Person responsible for corrective action:

Thomas Nelson, Interim Executive Director
Housing Authority of New Roads
151 Cherry St
New Roads, LA 70760

Telephone: (225) 638-8940
Fax: (225) 638-5375

Anticipated Completion Date: June 30, 2022

Corrective Action Plan Finding:

2021-007-Late Filing with the Legislative Auditor

Condition: The audit report is just now being filed.

Corrective Action Planned: We will comply with the auditor's recommendations.

Person responsible for corrective action:

Thomas Nelson, Interim Executive Director
Housing Authority of New Roads
151 Cherry St
New Roads, LA 70760

Telephone: (225) 638-8940
Fax: (225) 638-5375

Anticipated Completion Date: June 30, 2022

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2021

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with *Governmental Auditing Standards* generally accepted in the United States of America:

Low Rent Program- CDFA#14.850, Capital Fund Program #14.872

2020-001-Documentation of Executive Director's Salary Appears Inadequate

Condition

Portions of the salary payments to the Executive Director were questioned.

Recommendation

The board should request and obtain detail over certain salary payments. An error in the payment of vacation buy back hours should be adjusted in the year ended June 30, 2021. This was done. The E.D. car allowance amount should be added to W2 compensation and payroll taxes withheld and matched.

Current Status

This finding is repeated.

Low Rent Program-CDFA#14.850, Capital Fund Program#14.872

2020-002-Disbursements and Procurement Procedures Need Improvement

Condition

Many checks had only one authorized signature instead of two. The date that the board approved this COVID-emergency procedure was not clear to us.

Recommendation

We recommended that when only one signature is required on checks due to COVID or other emergencies, that at the next meeting, the commissioners should review a listing of all disbursements that contained only one signature.

Current Status

This finding is repeated.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2021

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with *Governmental Auditing Standards* generally accepted in the United States of America:

Capital Fund Program#14.872

2020-003-Capital Fund Budget for 2018 Need Revision and HUD Approval

Condition

For the 2018 CFP program, Management drew down all of the authorized funds and used them for 1406 Operations. For the approved budget for the 2018 program for a total funding of \$126,374, only \$25,925 was approved for Operations. This was not allowable, since the budget and the draw down did not match.

Recommendation

Management should consult with HUD regarding this issue. We noted that the remaining fungibility of the Annual 5 Year Plan would likely have some impact on the remedy.

Current Status

This finding is repeated.

Low Rent Program-CDFA#14.850, Capital Fund Program#14.872

2020-004-Monitoring of Management Not Adequate

Condition

Management was several months past due on sending monthly accounting information to their fee accountant. In addition, we noted a \$4,700 special type payment to the E.D. that was apparently not approved by the board, as noted by no mention in the board minutes.

Current Status

This finding is repeated

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF MANAGEMENT LETTER ITEMS

YEAR ENDED JUNE 30, 2021

To Management and the Board of Commissioners:

In planning and performing our audit of the financial statements of the Housing Authority of the City of New Roads for the year ended June 30, 2021, we considered the Authority's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal controls.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum contained in this letter summarizes our comments and suggestions regarding those matters. (We have also reported on the Authority's internal control in our report dated April 18, 2022.) This letter does not affect our report dated April 18, 2022 on the financial statements of the Housing Authority of the City of New Roads.

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

Our recommendations are as follows:

M1-Agreed-Upon Procedures for year ended June 30, 2022-The Legislative Auditor has reimposed the Agreed-Upon Procedure (AUP) requirement for the year ended June 30, 2022. We have left some materials and information with the Interim Director regarding the AUP.

Recommendation

The Interim Director and any other subsequent management should become familiar with this reporting requirement.

View of Responsible Official

We will comply with the auditor's suggestion.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2021

CASH BASIS

	2015 Capital Fund	2016 Capital Fund	2017 Capital Fund	2018 Capital Fund	2019 Capital Fund	2020 Capital Fund
Funds approved	\$ 71,078	\$ 74,920	\$ 74,684	\$ 126,374	\$ 130,813	\$ 131,993
Funds expended	71,078	74,920	74,684	126,374	130,813	131,993
Excess of funds approved	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Funds advanced	\$ 71,078	\$ 74,920	\$ 74,684	\$ 126,374	\$ 130,813	\$ 131,993
Funds expended	71,078	74,920	74,684	126,374	130,813	131,993
Excess (Deficiency) of funds advanced	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See accountants' report

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
 OR CHIEF EXECUTIVE DIRECTOR

YEAR ENDED JUNE 30, 2021

Agency Head Name: Paula Collins-Rush, Executive Director

Purpose	Amount
Salary	91,159
Benefits-insurance	
Benefits-retirement	7,718
Benefits-<list any other here>	
Car allowance	4,550
Vehicle provided by government	<enter amount reported on W-2>
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	103,427

See accountants' report

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 114,138
COVID-19-Low-Income Housing Operating Subsidy	14.850	6,383
Capital Fund Program	14.872	131,993
Total United States Department of Housing and Urban Development		\$ 252,514
Total Expenditures of Federal Awards		\$ 252,514

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the City of New Roads, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing 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 allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

		Federal Sources
Enterprise Funds		
Governmental operating grants	\$	252,514
Capital contributions		0
Total	\$	252,514

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 – DE MINIMIS INDIRECT COST RATE The Housing Authority did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
FINANCIAL DATA SCHEDULES**

YEAR ENDED JUNE 30, 2021

Entity Wide Balance Sheet Summary					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$73,927		\$73,927		\$73,927
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$4,337	\$4,337		\$4,337
114 Cash - Tenant Security Deposits	\$8,195		\$8,195		\$8,195
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$82,122	\$4,337	\$86,459		\$86,459
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$13,806		\$13,806		\$13,806
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants	\$93,626		\$93,626		\$93,626
126.1 Allowance for Doubtful Accounts - Tenants	-\$78,780		-\$78,780		-\$78,780
126.2 Allowance for Doubtful Accounts - Other	-\$6,936		-\$6,936		-\$6,936
127 Notes, Loans, & Mortgages Receivable - Current	\$0		\$0		\$0
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$669		\$669		\$669
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$22,385	\$0	\$22,385		\$22,385
131 Investments - Unrestricted	\$109,959		\$109,959		\$109,959
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$4,981		\$4,981		\$4,981
143 Inventories	\$5,061		\$5,061		\$5,061
143.1 Allowance for Obsolete Inventories	-\$253		-\$253		-\$253
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$224,255	\$4,337	\$228,592		\$228,592
161 Land	\$92,379		\$92,379		\$92,379
162 Buildings	\$3,156,966		\$3,156,966		\$3,156,966
163 Furniture, Equipment & Machinery - Dwellings	\$40,099		\$40,099		\$40,099
164 Furniture, Equipment & Machinery - Administration	\$101,415		\$101,415		\$101,415
165 Leasehold Improvements	\$448,767		\$448,767		\$448,767
166 Accumulated Depreciation	-\$2,763,649		-\$2,763,649		-\$2,763,649
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,075,977	\$0	\$1,075,977		\$1,075,977
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	\$1,075,977	\$0	\$1,075,977		\$1,075,977
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$1,300,232	\$4,337	\$1,304,569		\$1,304,569

**HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
FINANCIAL DATA SCHEDULES**

YEAR ENDED JUNE 30, 2021

Entity Wide Balance Sheet Summary					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$12,265		\$12,265		\$12,265
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$145		\$145		\$145
322 Accrued Compensated Absences - Current Portion	\$3,630		\$3,630		\$3,630
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	\$8,195		\$8,195		\$8,195
342 Unearned Revenue	\$2,155	\$4,337	\$6,492		\$6,492
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	\$1,342		\$1,342		\$1,342
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$27,732	\$4,337	\$32,069		\$32,069
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	\$9,982		\$9,982		\$9,982
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$9,982	\$0	\$9,982		\$9,982
300 Total Liabilities	\$37,714	\$4,337	\$42,051		\$42,051
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$1,075,977		\$1,075,977		\$1,075,977
511.4 Restricted Net Position	\$0		\$0		\$0
512.4 Unrestricted Net Position	\$186,541	\$0	\$186,541		\$186,541
513 Total Equity - Net Assets / Position	\$1,262,518	\$0	\$1,262,518		\$1,262,518
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,300,232	\$4,337	\$1,304,569		\$1,304,569

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2021

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$157,240		\$157,240
70400 Tenant Revenue - Other	\$860		\$860
70500 Total Tenant Revenue	\$158,100	\$0	\$158,100
70600 HUD PHA Operating Grants	\$114,138	\$131,993	\$246,131
70610 Capital Grants			
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$2,535		\$2,535
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	\$66,126		\$66,126
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0
72000 Investment Income - Restricted			
70000 Total Revenue	\$340,899	\$131,993	\$472,892
91100 Administrative Salaries	\$111,937		\$111,937
91200 Auditing Fees	\$8,505		\$8,505
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$52		\$52
91500 Employee Benefit contributions - Administrative	\$29,542		\$29,542
91600 Office Expenses	\$17,104		\$17,104
91700 Legal Expense			
91800 Travel	\$4,550		\$4,550
91810 Allocated Overhead			
91900 Other	\$18,967		\$18,967
91000 Total Operating - Administrative	\$190,657	\$0	\$190,657
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs	\$3,192		\$3,192
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$3,192	\$0	\$3,192
93100 Water	\$837		\$837
93200 Electricity	\$6,395		\$6,395
93300 Gas	\$1,072		\$1,072
93400 Fuel			
93500 Labor			
93600 Sewer	\$1,108		\$1,108

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2021

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$9,412	\$0	\$9,412
94100 Ordinary Maintenance and Operations - Labor	\$788		\$788
94200 Ordinary Maintenance and Operations - Materials and Other	\$18,044		\$18,044
94300 Ordinary Maintenance and Operations Contracts	\$58,646		\$58,646
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,141		\$1,141
94000 Total Maintenance	\$78,619	\$0	\$78,619
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$18,053		\$18,053
96120 Liability Insurance	\$3,965		\$3,965
96130 Workmen's Compensation	\$5,317		\$5,317
96140 All Other Insurance	\$2,242		\$2,242
96100 Total insurance Premiums	\$29,577	\$0	\$29,577
96200 Other General Expenses	\$1,244		\$1,244
96210 Compensated Absences	\$12,753		\$12,753
96300 Payments in Lieu of Taxes	\$14,783		\$14,783
96400 Bad debt - Tenant Rents	\$63,415		\$63,415
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$92,195	\$0	\$92,195
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$403,652	\$0	\$403,652
97000 Excess of Operating Revenue over Operating Expenses	-\$62,753	\$131,993	\$69,240
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$123,579		\$123,579
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$527,231	\$0	\$527,231

HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2021

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$136,763		\$136,763
10020 Operating transfer Out	-\$4,770	-\$131,993	-\$136,763
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
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			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$131,993	-\$131,993	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$54,339	\$0	-\$54,339
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,316,857	\$0	\$1,316,857
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	697		697
11210 Number of Unit Months Leased	692		692
11270 Excess Cash	\$153,097		\$153,097
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

**HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
FINANCIAL DATA SCHEDULES**

YEAR ENDED JUNE 30, 2021

Entity Wide Revenue and Expense Summary					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$157,240		\$157,240		\$157,240
70400 Tenant Revenue - Other	\$860		\$860		\$860
70500 Total Tenant Revenue	\$158,100	\$0	\$158,100	\$0	\$158,100
70600 HUD PHA Operating Grants	\$246,131	\$6,383	\$252,514		\$252,514
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue			\$0	\$0	\$0
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$2,535		\$2,535		\$2,535
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	\$66,126		\$66,126		\$66,126
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0		\$0
72000 Investment Income - Restricted					
70000 Total Revenue	\$472,892	\$6,383	\$479,275	\$0	\$479,275
91100 Administrative Salaries	\$111,937	\$4,770	\$116,707		\$116,707
91200 Auditing Fees	\$8,505		\$8,505		\$8,505
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$52		\$52		\$52
91500 Employee Benefit contributions - Administrative	\$29,542		\$29,542		\$29,542
91600 Office Expenses	\$17,104	\$1,613	\$18,717		\$18,717
91700 Legal Expense					
91800 Travel	\$4,550		\$4,550		\$4,550
91810 Allocated Overhead					
91900 Other	\$18,967		\$18,967		\$18,967
91000 Total Operating - Administrative	\$190,657	\$6,383	\$197,040	\$0	\$197,040
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs	\$3,192		\$3,192		\$3,192
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$3,192	\$0	\$3,192	\$0	\$3,192
93100 Water	\$837		\$837		\$837
93200 Electricity	\$6,395		\$6,395		\$6,395
93300 Gas	\$1,072		\$1,072		\$1,072
93400 Fuel					
93500 Labor					
93600 Sewer	\$1,108		\$1,108		\$1,108

**HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
FINANCIAL DATA SCHEDULES**

YEAR ENDED JUNE 30, 2021

Entity Wide Revenue and Expense Summary					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$9,412	\$0	\$9,412	\$0	\$9,412
94100 Ordinary Maintenance and Operations - Labor	\$788		\$788		\$788
94200 Ordinary Maintenance and Operations - Materials and Other	\$18,044		\$18,044		\$18,044
94300 Ordinary Maintenance and Operations Contracts	\$58,646		\$58,646		\$58,646
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,141		\$1,141		\$1,141
94000 Total Maintenance	\$78,619	\$0	\$78,619	\$0	\$78,619
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$18,053		\$18,053		\$18,053
96120 Liability Insurance	\$3,965		\$3,965		\$3,965
96130 Workmen's Compensation	\$5,317		\$5,317		\$5,317
96140 All Other Insurance	\$2,242		\$2,242		\$2,242
96100 Total insurance Premiums	\$29,577	\$0	\$29,577	\$0	\$29,577
96200 Other General Expenses	\$1,244		\$1,244		\$1,244
96210 Compensated Absences	\$12,753		\$12,753		\$12,753
96300 Payments in Lieu of Taxes	\$14,783		\$14,783		\$14,783
96400 Bad debt - Tenant Rents	\$63,415		\$63,415		\$63,415
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$92,195	\$0	\$92,195	\$0	\$92,195
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$403,652	\$6,383	\$410,035	\$0	\$410,035
97000 Excess of Operating Revenue over Operating Expenses	\$69,240	\$0	\$69,240	\$0	\$69,240
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense	\$123,579		\$123,579		\$123,579
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$527,231	\$6,383	\$533,614	\$0	\$533,614

**HOUSING AUTHORITY OF NEW ROADS, LOUISIANA
FINANCIAL DATA SCHEDULES**

YEAR ENDED JUNE 30, 2021

Entity Wide Revenue and Expense Summary					
	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
10010 Operating Transfer In	\$136,763	\$4,770	\$141,533	-\$131,993	\$9,540
10020 Operating transfer Out	-\$136,763	-\$4,770	-\$141,533	\$131,993	-\$9,540
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
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					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$54,339	\$0	-\$54,339	\$0	-\$54,339
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$1,316,857	\$0	\$1,316,857		\$1,316,857
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	697		697		697
11210 Number of Unit Months Leased	692		692		692
11270 Excess Cash	\$153,097		\$153,097		\$153,097
11610 Land Purchases	\$0		\$0		\$0
11620 Building Purchases	\$0		\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0		\$0
11650 Leasehold Improvements Purchases	\$0		\$0		\$0
11660 Infrastructure Purchases	\$0		\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0		\$0