

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	13
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	15
STATEMENT OF CASH FLOWS	16
NOTES TO FINANCIAL STATEMENTS	17
SUPPLEMENTARY INFORMATION	
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION	46
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	48
COMBINING SCHEDULE OF THE DISCRETELY PRESENTED COMPONENT UNITS	51
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	53
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	55
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	59
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	60
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	61
OTHER SUPPLEMENTARY INFORMATION	
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER	75



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of East Baton Rouge Parish (the Authority), as of and for the year ended September 30, 2022, except for the separately audited discretely presented component units mentioned below for which the financial statements are as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of September 30, 2022, except for the separately audited discretely presented component units mentioned below for which the financial statements are as of and for the year ended December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following discretely presented component units: Brookstown Place Partnership, ALPIC, Cedar Pointe Subdivision, L.P., Wesley Chapel Development, L.P., EBRPHA Development I, L.P., EBRPHA Development II, L.P., EBRPHA Development IV, L.P. and River South Development, L.P. (the Partnerships), which represent 86%, 87% and 69%, respectively of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinions insofar as it relates to the amounts included for the Partnerships are based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

During the fiscal year ended September 30, 2022, the Authority recorded a prior period adjustment related to the correction of an error. As stated in Note 16 to the financial statements, a prior period adjustment was recorded to beginning net position as a result of expensing amounts in prior years that should have been recorded as receivables. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Board of Commissioners
The Housing Authority of East Baton Rouge Parish

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

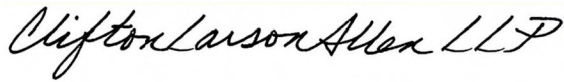
Supplementary Information

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

Board of Commissioners
The Housing Authority of East Baton Rouge Parish

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
June 27, 2023

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

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

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements. This MD&A covers only the Authority's Enterprise Fund and does not analyze the financial position or current year's activity of the discretely presented Component Units. Separate audit reports have been issued on the financial statements of the Component Units. The audited financial statements of the Component Units have been included in the financial statements of the Authority.

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased \$2.9 million in 2022. Net Position was \$28.3 million and \$30.6 million for 2022 and 2021, respectively.
- Revenues increased \$1.7 million during 2022, and were \$44.4 million and \$42.7 million for 2022 and 2021, respectively.
- The total expenses of all Authority programs increased \$2.5 million. Total expenses were \$47.7 million and \$45.2 million for 2022 and 2021, respectively

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

USING THIS ANNUAL REPORT

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

MD&A

~ Management's Discussion and Analysis ~

Basic Financial Statements

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

Other Required Supplementary Information

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Authority-Wide Financial Statements

Statement of Net Position

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

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

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

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

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

Statement of Revenues, Expenses, and Changes in Net Position

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

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

Statement of Cash Flows

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2022**

Authority-Wide Main Programs

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

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties. In fiscal year 2020, the Conventional Public Housing Program received additional funding from HUD related to CAREs Act Funding.

Housing Choice Vouchers Program - Under the Housing Voucher Cluster, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. In fiscal year 2020, the Housing Choice Vouchers Program received additional funding from HUD related to CAREs Act Funding.

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

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2022**

AUTHORITY-WIDE STATEMENTS

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

**TABLE 1
CONDENSED STATEMENT OF NET POSITION**

	2022	2021	\$ Variance	% Variance
Assets and Deferred Outflows of Resources:				
Current Assets	\$ 10,763,874	\$ 13,590,977	\$ (2,827,103)	-20.80%
Restricted Assets	324,262	803,834	(479,572)	-59.66%
Capital Assets, Net	15,374,781	16,523,631	(1,148,850)	-6.95%
Other Noncurrent Assets	4,986,808	3,409,570	1,577,238	46.26%
Total Assets	\$ 31,449,725	\$ 34,328,012	\$ (2,878,287)	-8.38%
Liabilities:				
Current Liabilities	\$ 1,478,802	\$ 1,746,607	\$ (267,805)	-15.33%
Noncurrent Liabilities	1,684,376	1,971,199	(286,823)	-14.55%
Total Liabilities	3,163,178	3,717,806	(554,628)	-14.92%
Net Position:				
Net Investment in Capital Assets	13,602,881	14,541,912	(939,031)	-6.46%
Restricted Net Position	69,872	340,803	(270,931)	100.00%
Unrestricted Net Position	14,613,794	15,727,491	(1,113,697)	-7.08%
Total Net Position	28,286,547	30,610,206	(2,323,659)	-7.59%
Total Liabilities and Net Position	\$ 31,449,725	\$ 34,328,012	\$ (2,878,287)	-8.38%

Major Factors Affecting the Statement of Net Position

During 2022, total assets decreased \$2.9 million resulting primarily from a decrease in current assets of \$2.8 million. Total cash decreased by \$5.5 million and miscellaneous receivables and prepaid materials and supplies increased by \$2.1 million and \$.2 million, respectively. Additionally, there was a decrease in capital assets due to current year depreciation expense of \$1.2 million.

During 2022, total liabilities decreased \$.6 million which is a result of payments on long-term debt as well as a decrease in unearned revenue net with an increase in accounts payable, resulting in total liabilities remaining fairly consistent with prior year totals.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2022**

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

**TABLE 2
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	2022	2021	\$ Variance	% Variance
REVENUES				
Tenant Rental Revenue	\$ 1,960,248	\$ 2,213,590	\$ (253,342)	-11.44%
Operating Grants	40,386,493	38,728,562	1,657,931	4.28%
Capital Contributions	344,454	362,132	(17,678)	-4.88%
Investment Income	6,107	1,276	4,831	378.61%
Other Revenue	1,658,788	1,363,412	295,376	21.66%
Total Revenues	<u>44,356,090</u>	<u>42,668,972</u>	<u>1,687,118</u>	<u>3.95%</u>
EXPENSES				
Administrative Expenses	5,779,620	4,860,436	919,184	18.91%
Tenant Services	268,736	273,702	(4,966)	-1.81%
Utilities	1,305,146	1,113,250	191,896	17.24%
Maintenance and Operations	2,913,483	2,550,340	363,143	14.24%
Protective Services	86,501	74,846	11,655	15.57%
Insurance	1,357,759	1,134,663	223,096	19.66%
General Expenses	1,945,407	2,770,397	(824,990)	-29.78%
Interest Expense	134,636	148,321	(13,685)	-9.23%
Housing Assistance Payments	32,728,507	30,420,113	2,308,394	7.59%
Extraordinary Maintenance	-	102,606	(102,606)	-100.00%
Bad Debt	2,249	114,704	(112,455)	100.00%
Depreciation	1,193,638	1,632,080	(438,442)	-26.86%
Total Expenses	<u>47,715,682</u>	<u>45,195,458</u>	<u>2,520,224</u>	<u>5.58%</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ (3,359,592)</u>	<u>\$ (2,526,486)</u>	<u>\$ (833,106)</u>	<u>32.97%</u>

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

REVENUES

Total revenues increased during 2022 in comparison to 2021 by \$1.7 million. Operating grants increased \$1.7 million due primarily to an increase in total vouchers for the housing voucher program and an increase in activity for the CNI project. Tenant revenue decreased \$.3 million as a result of a decrease in units leased for public housing projects. Other revenue increased \$.3 million as a result of forgiveness of related party payables in the current year.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2022**

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

EXPENSES

Total expenses increased \$2.5 million. The increase is mostly related to a grant between the Authority and Partners for Progress related to the Cypress at Gardere Project. The Authority granted Partners \$2.2 million related to the project in fiscal year 2022 opposed to \$3.2 million in the prior year. These expenses are recorded in general expenses, and the cause of the \$.82 million decrease in this line item. Housing Assistance Payments increased \$2.3 million. This was caused by an increase in housing choice vouchers and amount of HAP per voucher during the year. Depreciation decreased \$.4 million due to a decrease in depreciable assets and assets being fully depreciated in the prior year. Administrative service expenses increased by \$.9 million mostly due to an increase in salaries and CNI expenses. Insurance increased by \$.2 million due to an increase in property and flood insurance as a result of hurricane season. Maintenance and Operations expenses increased by \$.4 million primarily due to increase in maintenance at the public housing properties.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of fiscal year-end, the Authority had \$15.37 million invested in a variety of capital assets as reflected in the following schedule:

TABLE 3

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

	2022	2021	\$ Variance	% Variance
Land	\$ 5,784,669	\$ 5,784,670	\$ (1)	0.00%
Buildings and Improvements	46,724,857	45,849,696	875,161	1.91%
Furniture and Equipment	577,287	533,373	43,914	8.23%
Construction in Progress	155,339	1,029,621	(874,282)	-84.91%
Less: Accumulated Depreciation	(37,867,371)	(36,673,729)	(1,193,642)	3.25%
Net Capital Assets	<u>\$ 15,374,781</u>	<u>\$ 16,523,631</u>	<u>\$ (1,148,850)</u>	<u>-6.95%</u>

The following reconciliation summarizes the change in Capital Assets:

TABLE 4

CHANGES IN CAPITAL ASSETS

Beginning Balance - October 1, 2021	\$ 16,523,626
Additions and Transfers:	
Furniture and Equipment	43,914
Construction in Process	100,009
Disposals	-
Depreciation Expense	(1,193,638)
Disposals - CIP	(99,130)
Ending Balance - September 30, 2021	<u>\$ 15,374,781</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2022**

Debt

As of fiscal year-end, the Authority had \$1.55 million in long-term debt outstanding compared to \$1.77 million last year.

OUTSTANDING DEBT, AT YEAR-END

	Balance as of September 30, 2022	Balance as of September 30, 2021
Mortgages and Notes Payable	\$ 1,771,900	\$ 1,981,719
Less: Current Portion	(225,213)	(209,819)
Long-Term Debt	\$ 1,546,687	\$ 1,771,900

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

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

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Discretely Presented Component Units		
	Primary Government	Partners-for- Progress, Incorporated	Nonmajor Discretely Partnerships December 31, 2021 Year-End
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 7,012,010	\$ 1,001,817	\$ 1,100,817
Tenants Accounts Receivable, Net	201,319	-	47,578
Accounts Receivable - Copper Oaks, LLC, Net of Allowance	-	117,125	-
Accounts Receivable - Other, Net of Allowance	810,837	624,189	-
Due From Partners for Progress, Inc.	1,668,789	-	-
Prepaid Costs	752,725	1,353	213,519
Materials and Supplies, Net (Allowance \$8,410)	318,194	-	-
	10,763,874	1,744,484	1,361,914
RESTRICTED ASSETS			
Cash and Cash Equivalents - Tenant Security Deposits	156,681	-	126,230
Cash and Cash Equivalents - Other Restricted	167,581	-	2,732,277
Total Restricted Assets	324,262	-	2,858,507
CAPITAL ASSETS			
Land	5,784,669	292,500	803,683
Buildings and Improvements	46,724,857	-	58,868,503
Furniture and Equipment	577,287	15,418	3,725,184
Construction in Progress	155,339	-	-
	53,242,152	307,918	63,397,370
Less: Accumulated Depreciation	(37,867,371)	(15,418)	(18,005,045)
Net Capital Assets	15,374,781	292,500	45,392,325
OTHER ASSETS			
Notes Receivable due from Partnerships	4,986,808	6,245,684	-
Other Noncurrent Assets	-	-	428,095
Total Other Assets	4,986,808	6,245,684	428,095
Total Assets	\$ 31,449,725	\$ 8,282,668	\$ 50,040,841

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2022

	Primary Government	Discretely Presented	
		Partners-for- Progress, Incorporated	Partnerships December 31, 2021 Year-End
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 653,610	\$ 47,641	\$ 82,832
Due to Primary Government	-	1,668,789	-
Accrued Wages and Payroll Taxes	134,739	2,326	-
Accrued Compensated Absences	86,369	6,249	-
Accrued Interest Payable	-	-	55,957
Accrued Liabilities - Other	104,141	-	232,808
Tenant Security Deposits	156,681	-	124,617
Unearned Revenue	118,049	-	44,215
Accrued Asset Management Fee	-	101,592	-
Current Portion of Debt	225,213	178,405	158,473
Total Current Liabilities	<u>1,478,802</u>	<u>2,005,002</u>	<u>698,902</u>
LONG-TERM LIABILITIES			
Long-Term Debt, Net of Current	1,546,687	792,700	19,188,924
Accrued Interest Payable and Other, Net of Current	-	-	1,295,379
Accrued Compensated Absences, Net of Current	137,689	-	-
Noncurrent Liabilities - Other	-	-	76,727
Total Long Term Liabilities	<u>1,684,376</u>	<u>792,700</u>	<u>20,561,030</u>
Total Liabilities	3,163,178	2,797,702	21,259,932
NET POSITION			
Net Investment in Capital Assets	13,602,881	-	24,749,549
Restricted Net Position	69,872	-	2,733,890
Unrestricted Net Position	14,613,794	5,484,966	1,297,470
Total Net Position	<u>28,286,547</u>	<u>5,484,966</u>	<u>28,780,909</u>
Total Liabilities and Net Position	<u>\$ 31,449,725</u>	<u>\$ 8,282,668</u>	<u>\$ 50,040,841</u>

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022

	Primary Government	Discretely Presented	
		Partners-for- Progress, Incorporated	Partnerships December 31, 2021 Year-End
OPERATING REVENUES			
Dwelling Rent	\$ 1,960,248	\$ -	\$ 3,421,860
Operating Grants	40,386,493	-	-
Other Revenue	1,658,788	2,615,862	-
Total Operating Revenues	44,005,529	2,615,862	3,421,860
OPERATING EXPENSES			
Administrative	5,779,620	438,132	786,847
Tenant Services	268,736	20,000	-
Utilities	1,305,146	1,666	137,871
Maintenance and Operations	2,913,483	8,119	891,199
Protective Services	86,501	-	-
Insurance	1,357,759	9,069	497,142
General Expense	1,945,407	3,077	115,815
Housing Assistance Payments	32,728,507	-	-
Bad Debt	2,249	-	-
Depreciation	1,193,638	-	1,911,910
Total Operating Expenses	47,581,046	480,063	4,340,784
OPERATING INCOME (LOSS)	(3,575,517)	2,135,799	(918,924)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	6,107	-	3,010
Interest Expense	(134,636)	(14,810)	(877,366)
Total Nonoperating Revenues (Expenses)	(128,529)	(14,810)	(874,356)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(3,704,046)	2,120,989	(1,793,280)
Capital Grants - from HUD	344,454	-	-
CHANGE IN NET POSITION	(3,359,592)	2,120,989	(1,793,280)
Net Position - Beginning of Year, as Restated	31,646,139	3,363,977	30,574,189
NET POSITION - END OF YEAR	\$ 28,286,547	\$ 5,484,966	\$ 28,780,909

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Dwelling Rent	\$ 1,689,096
Cash Received from Operating Grants	40,079,424
Other Income Receipts	1,594,323
Cash Payments for Salaries and Benefits	(4,004,483)
Cash Payments to Vendors and Related Parties	(10,016,008)
Cash Payments to Landlords	(32,728,501)
Net Cash Used by Operating Activities	(3,386,149)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants Received	344,454
Repayment of Capital Debt Principal	(209,819)
Interest Paid on Capital Debt	(134,636)
Purchase of Capital Assets	(143,923)
Net Cash Used by Capital and Related Financing Activities	(143,924)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income Received	6,107
Issuance of Notes Receivable	(557,584)
Advances to Component Unit	(1,446,372)
Receipts of Notes Receivable	16,279
Net Cash Used by Investing Activities	(1,981,570)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,511,643)
Cash and Cash Equivalents - Beginning of Year	12,847,915
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,336,272
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES	
Loss from Operations	\$ (3,575,517)
Adjustments to Reconcile Net Operating Loss to Net Cash and Cash Equivalents:	
Depreciation Expense	1,193,638
Bad Debt	2,249
(Increase) Decrease in Assets:	
Accounts Receivable - HUD Other Projects	(307,069)
Accounts Receivable - Other Government	(21,071)
Accounts Receivable - Miscellaneous	(2,272)
Accounts Receivable - Tenants	(110,605)
Prepaid Expenses	(143,187)
Materials and Supplies	(176,642)
Increase (Decrease) in Liabilities:	
Accounts Payable	582,996
Accrued Wages/Payroll Taxes Payable	(34,968)
Accrued Compensated Absences	(82,603)
Tenant Security Deposits	(11,118)
Unearned Revenue	(190,551)
Other Current Liabilities	(509,429)
Net Cash Used by Operating Activities	\$ (3,386,149)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Write-off of Construction in Progress Purchases	\$ 99,130

See accompanying Notes to Financial Statements.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 REPORTING ENTITY DEFINITION

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

The Authority is governed by a Board of Commissioners, which is composed of seven members. The applicable jurisdictions appoint the Board of Commissioners. However, the Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria of Governmental Accounting Standards. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following component units:

Partners for Progress, Incorporated (the Corporation)

The Corporation is a related nonprofit Louisiana corporation, which was created as an instrumentality of the Authority for the purpose of developing low, and low-moderate income housing opportunities within the East Baton Rouge Parish community. The Corporation has entered into a management agreement with the Authority, for the Authority to provide administrative and management services to the Corporation. Because the Corporation maintains a substantively different governing board than the Authority, and the benefits derived from the services of the Corporation extend beyond the Authority, the Corporation is considered to be a discretely presented component unit. The activity from the Corporation is reported separately in the financial statements and accompanying schedules in the Partners for Progress, Incorporated column. The Corporation's fiscal year-end is September 30. A copy of the financial statements of Partners for Progress, Inc. for the year ended September 30, 2022 may be obtained by writing to The Housing Authority of the East Baton Rouge Parish, 4731 North Boulevard, Baton Rouge, Louisiana 70806.

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)

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

The Corporation is the sole member of the following entities with December 31, 2021 year-ends:

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

Brookstown Place Partnership, ALPIC

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

Cedar Pointe Subdivision, LP

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

Wesley Chapel Development, LP

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

EBRPHA Development 1, LP

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)

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

EBRPHA Development 2, LP

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

EBRPHA Development 4, LP

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

River South Development, LP

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

Cypress at Gardere, LP

Cypress at Gardere, GP LLC is the managing general partner of Cypress at Gardere, LP. Cypress at Gardere, LP is still in the development phases and is not considered to be a discretely presented component unit at September 30, 2022.

2080 Ardenwood, LP

2080 Ardenwood, LLC is the managing general partner of 2080 Ardenwood, LP. 2080 Ardenwood, LP is still in the development phases and is not considered to be a discretely presented component unit at September 30, 2022.

EBRP Housing Authority Holdings, Inc.

EBRP Housing Authority Holdings, Inc was created to engage in activities permissible under section 501(c)(3), including the acquisition, development, ownership and operation of residential, commercial, and or mixed-use properties for the provision of shelter and housing for low-income individuals and families, the provision of social services, and the fostering of community engagement, economic development and cultural enrichment. The members of the board of commissioners of the housing authority serve as the board of directors of the corporation. This entity had no activity in fiscal year 2022.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)

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

Brookstown Place Partnership; Cedar Pointe Subdivision Limited Partnership; Wesley Chapel Development, LP; EBRPHA Development 1, LP; EBRPHA Development 2, LP; EBRPHA Development 4, LP and River South Development, LP have December 31 year-ends. Financial activity for these discretely presented component units, for the year ended December 31, 2021, is reported separately in the financial statements and accompanying schedules in the 'Partnerships' column. The financial information for each of these discretely presented component units can be found in the combining schedule of discretely presented entities as part of the supplementary information at the end of the report. A copy of the financial statements of each of these discretely presented component units for the year ended December 31, 2021 may be obtained by writing to The Housing Authority of the East Baton Rouge Parish, 4731 North Boulevard, Baton Rouge, Louisiana 70806.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

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

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

The Authority has applied all applicable GASB pronouncements.

Cash and Cash Equivalents

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

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

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

Prepaid Items and Inventory

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

Capital Assets

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

Buildings	20 Years
Improvements	10 Years
Furniture and Equipment	5 Years

We note that five of the public housing buildings are fully depreciated up to their aggregate salvage values of \$3,743,125. Authority management has assessed the carrying values of capital asset balances for impairment. No significant capital asset value impairments exist as of September 30, 2022.

Accrued Compensated Absences

It is the Authority's policy to grant full time permanent employees vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Sick leave also accrues to full time employees to specified maximums. The employees are entitled to vacation leave balances at termination. Leave accrued but not yet paid as of September 30, 2022, is reported as a liability allocated between current and noncurrent.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue. As of September 30, 2022, there was \$118,049 of unearned revenue.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Nonoperating Revenues and Expenses

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

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

Indirect Costs Recovery

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

Use of Estimates

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

NOTE 3 CASH DEPOSITS

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

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

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3 CASH DEPOSITS (CONTINUED)

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

	Book Balance	Bank Balance
Insured by FDIC	\$ 250,000	\$ 250,000
Invested in U.S. Treasury Obligations	198,975	198,397
Collateralized with Specific Securities in the Authority Name which are Held by the Financial Institution	6,887,297	7,503,489
Total	\$ 7,336,272	\$ 7,951,886

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

Partners for Progress, Incorporated

The Corporation's cash and cash equivalents consist of cash held in an interest-bearing checking account, totaling \$1,001,817 with a book balance of \$1,001,817. As of September 30, 2021, \$751,817 of the Corporation's bank balances were not collateralized outside of the amounts secured by the Federal Deposit Insurance Corporation (FDIC).

Partnerships

As of December 31, 2021, the Partnerships had various checking, escrow and other deposits at various financial institutions. Accounts at these financial institutions were insured by the FDIC up to \$250,000 per Partnership, per financial institution. As of December 31, 2021, the Partnerships had \$2,371,770 of deposits in excess of federally insured limits. Wesley Chapel Development, LP had uninsured deposits of \$512,856, EBRPHA Development 1, LP had uninsured deposits of \$325,796, EBRPHA Development 2, LP had uninsured deposits of \$361,876, EBRPHA Development 4, LP had uninsured deposits of \$154,847 and Cedar Pointe Subdivision, LP had uninsured deposits of \$1,016,395.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 RESTRICTED CASH

Primary Government

The Authority's restricted cash consisted of \$156,681 in tenant security deposits and \$167,581 restricted for emergency housing vouchers as of September 30, 2022.

Partnerships

The Partnerships' restricted cash consisted of the following as of December 31, 2021:

Replacement Reserve	\$ 1,024,254
Operating Deficit Reserve	909,029
Real Estate, Tax, and Insurance Escrow	220,224
Guarantor Reserve	412,224
Debt Service Reserve	97,490
ACC Reserve	69,056
Tenant Security Deposits	126,230
Total Restricted Cash	<u>\$ 2,858,507</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 ACCOUNTS RECEIVABLE - OTHER

Primary Government

As of September 30, 2022, the Authority was due the following balances:

Accounts Receivable - HUD Other Projects	\$ 442,420
Accounts Receivable - Other Government	59,662
Accounts Receivable - Pre-Development Costs	<u>354,997</u>
Total Accounts Receivable	857,079
Allowance for Doubtful Accounts - Other	<u>(46,242)</u>
Total Allowance for Doubtful Accounts	<u>(46,242)</u>
Net Accounts Receivable	<u><u>\$ 810,837</u></u>

Partners for Progress, Incorporated

As of September 30, 2022, the Corporation was due the following balances:

Accounts Receivable - Costs	\$ 95,542
Accounts Receivable - Sale of Land	117,125
Less: Allowance for Doubtful Accounts	<u>(95,542)</u>
Total Accounts Receivable, Copper Oaks, LLC	<u><u>\$ 117,125</u></u>
Accounts Receivable - River Lofts	\$ 122,055
Accounts Receivable - Cypress at Gardere	299,146
Accounts Receivable - Cypress at Asante	31,550
Accounts Receivable - Other Projects	65,819
Accounts Receivable - 2080 Ardentale	75,184
Accounts Receivable - North Blvd	<u>30,435</u>
Total Accounts Receivable - Other	<u><u>\$ 624,189</u></u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 NOTES AND DEVELOPER FEES RECEIVABLE

Between the Authority and the Discretely Presented Component Units

As of September 30, 2022, the Authority had the following outstanding notes, developer fees, and interest receivable balances due from the Partnerships:

Description

Due from EBRPHA Development 1, LP (Willow Creek)		
Promissory Note due to EBRPHA Dated January 2012, Matures January 2052, 2.00% Interest	\$ 1,325,570	
Promissory Note due to EBRPHA (Second) Dated January 2012, Matures January 2052, 2.00% Interest	<u>197,991</u>	<u>\$ 1,523,561</u>
Due from EBRPHA Development 2, LP (Autumn Place)		
Promissory Note due to EBRPHA Dated January 2012, Matures January 2052, 2.00% Interest	1,266,000	
Promissory Note Due to EBRPHA (Second) Dated January 2012, Matures January 2052, 2.00% Interest	<u>203,730</u>	<u>1,469,730</u>
Cypress at Ardentale Phase 1, LP		
Promissory Note due to EBRPHA Dated April 2021, Matures April 2056, 8.00% Interest	<u>798,711</u>	<u>798,711</u>
Due from EBRPHA Development 4, LP		
Promissory Note due to EBRPHA Dated September 2014, Matures September 2034, 2.94%	<u>400,000</u>	<u>400,000</u>
Due from Riversouth Development, LP		
Promissory Note due to EBRPHA Dated August 2017, Matures August 2057, 2.58%	<u>794,806</u>	<u>794,806</u>
Total Notes Receivable		<u><u>\$ 4,986,808</u></u>

These notes were loaned to the respective Partnerships to assist in the development of three low-income townhouse communities and the rehabilitation of an apartment complex, and are secured with second mortgages against each Partnership's leasehold interest in the properties. The deferred developer fees were earned by providing managerial and administrative assistance during the construction of the three developments. During the fiscal year, the Authority did not receive developer fees from the Partnerships. As of September 30, 2022, the Authority's share of the outstanding balances of the developer fee receivables due from the applicable partnerships amounted to \$83,093. Due to uncertainties regarding collectability, Authority management has elected to reserve the entire amount of the deferred developer fees receivable, and to recognize income as funds are received.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 NOTES AND DEVELOPER FEES RECEIVABLE (CONTINUED)

Between the Partnerships and Partners for Progress, Incorporated

Through the Corporation's wholly owned subsidiary entities (Partners for Progress Development Corporation, LLC; Cedar Pointe Development, LLC; Wesley Chapel Development, LLC; Hospital Plaza I, LLC; Colonial Courts I, LLC; and Roosevelt Terrace, LLC) the Corporation has earned developer fees from each of the Partnerships for overseeing the construction and development of four apartment complexes and two townhouse communities. During the fiscal year, the Corporation did not receive developer fees from the Partnerships. As of September 30, 2022, the Corporation's estimated share of the outstanding balances of the developer fee receivables due from the applicable partnerships amounted to \$239,957. Due to uncertainties regarding collectability, Corporation management has elected to reserve the entire amount of the receivables, and to recognize income as funds are received.

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

During fiscal year 2014, the Corporation funded a \$500,000 loan to Wesley Chapel Development, LP under a loan agreement dated in September of 2011, to assist with the construction of the Wesley Chapel Apartments complex. The note is secured with a subordinate mortgage on the property and does not bear interest. The loan is payable from the available income and cash flow of the borrower, as stipulated in the Loan Agreement and matures in July of 2044. The outstanding balance of the note was \$500,000 as of September 30, 2022.

During fiscal year 2015, the Corporation funded a \$480,200 loan to EBRPHA Development 4, LP to assist with the rehabilitation of the Roosevelt Terrace Apartments complex. The nonrecourse note is secured with a subordinate mortgage on the property which has been subsequently assigned to Capital One National Association to secure a related loan issued from the Corporation to Capital One National Association. The loan bears interest at a rate of .25% per annum and is payable from the available income and cash flow of the borrower, as stipulated in the Loan Agreement. The loan matures in September of 2055 and outstanding balance was \$480,200 as of September 30, 2022.

In January 2012, the East Baton Rouge Redevelopment Authority (RDA) provided a subordinate mortgage loan in the amount of \$500,000 (the RDA Loan) to the EBRPHA Development 2, LP (Autumn Place). The loan has a thirty-year term and will accrue interest at zero (0.00%) percent annually. The loan is evidenced by a mortgage note given by Autumn Place to the Lender and is secured by the RDA Mortgage and other related security documents and financing statements. The loan is non-recourse to Autumn Place and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The loan will be repaid solely from Surplus Cash, to the extent Surplus Cash is generated from the operation of the Project, in the sum of one-third (1/3) of the first \$42,000 of Surplus Cash; plus two-thirds (2/3) of any excess over the \$42,000 of Surplus Cash. In April of 2021, this loan was reassigned to the Corporation in the amount of \$500,000 and shows as a receivable on the statement of net position. \$58,328 of this loan was relieved in September 2022, resulting in a balance at September 30, 2022 of \$441,672.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6 NOTES AND DEVELOPER FEES RECEIVABLE (CONTINUED)

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

In January 2012, the East Baton Rouge Redevelopment Authority (RDA) provided a subordinate mortgage loan (the RDA Loan) in the amount of \$500,000 to EBRPHA Development 1, Partnership (Willow Creek). The loan has a thirty-year term and will accrue interest at zero (0.00%) percent annually. The loan is evidenced by a mortgage note given by Willow Creek to the Lender and is secured by the RDA Mortgage and other related security documents and financing statements. The loan is non-recourse to Willow Creek and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The loan will be repaid solely from Surplus Cash, to the extent Surplus Cash is generated from the operation of the Project, in the sum of one-third (1/3) of the first \$42,000 of Surplus Cash; plus, two-thirds (2/3) of any excess over the \$42,000 of Surplus Cash. In April of 2021, this loan was reassigned to the Corporation in the amount of \$500,000 and shows as a receivable on the statement of net position. \$58,328 of this loan was relieved in September 2022, resulting in a balance at September 30, 2022 of \$441,672.

In April of 2021, the Corporation loaned a new development, Cypress at Gardere, LP (Cypress) \$1,450,000 at closing for the purchase of the property and for future development costs. In the fiscal year, Cypress drew down an additional \$2,443,479 of funds from the Corporation for a total of \$4,382,140 outstanding as of September 30, 2022. The total allowable amount to be disbursed to Cypress from the Corporation is \$4,900,000 with an interest rate on the unpaid principal balance of 8%, per annum. The principal balance of the note and interest thereon shall be paid annually commencing in 2023 with payments solely from 75% of Surplus Cash (as defined in the Subordination Agreement between Lender and Regions Bank, as fiscal agent), and the principal balance and all accrued, but unpaid interest shall be due and payable on April 22, 2056.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 7 CAPITAL ASSETS

Primary Government

A summary of the Authority's capital asset balances and activity, as of and for the year ended September 30, 2022 are as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Nondepreciable Capital Assets					
Land	\$ 5,784,669	\$ -	\$ -	\$ -	\$ 5,784,669
Construction in Progress	1,029,621	100,009	(99,130)	(875,161)	155,339
Total Nondepreciable Capital Assets	6,814,290	100,009	(99,130)	(875,161)	5,940,008
Depreciable Capital Assets					
Buildings and Improvements	45,849,696	-	-	875,161	46,724,857
Furniture and Equipment	533,373	43,914	-	-	577,287
Total Depreciable Capital Assets	46,383,069	43,914	-	875,161	47,302,144
Less: Accumulated Depreciation					
Buildings and Improvements	(36,140,360)	(1,155,449)	-	-	(37,295,809)
Furniture and Equipment	(533,373)	(38,189)	-	-	(571,562)
Total Accumulated Depreciation	(36,673,733)	(1,193,638)	-	-	(37,867,371)
Total Capital Assets					
Being Depreciated, Net	9,709,336	(1,149,724)	-	875,161	9,434,773
Capital Assets, Net	\$ 16,523,626	\$ (1,049,715)	\$ (99,130)	\$ -	\$ 15,374,781

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 CAPITAL ASSETS (CONTINUED)

Partners for Progress, Incorporated

A summary of the Corporation's capital asset balances and activity, as of and for the year ended September 30, 2022 are as follows:

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

Partnerships

A summary of the Partnerships' capital asset activity, for the year ended December 31, 2021 are as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Nondepreciable Capital Assets					
Land	\$ 803,683	\$ -	\$ -	\$ -	\$ 803,683
Total Nondepreciable Capital Assets	803,683	-	-	-	803,683
Depreciable Capital Assets					
Buildings and Improvements	58,868,503	-	-	-	58,868,503
Furniture and Equipment	3,725,184	-	-	-	3,725,184
Total Capital Assets	62,593,687	-	-	-	62,593,687
Less: Accumulated Depreciation	(16,093,135)	(1,911,910)	-	-	(18,005,045)
Total Capital Assets Being Depreciated, Net	46,500,552	(1,911,910)	-	-	44,588,642
Capital Assets, Net	<u>\$ 47,304,235</u>	<u>\$ (1,911,910)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,392,325</u>

NOTE 8 NOTES PAYABLE

In February of 2012, the Authority obtained a loan from Capital One Public Funding, LLC for \$3,461,000. The loan was issued to finance subsequent loans to EBRPHA Development 1, LP and EBRPHA Development 2, LP to assist in the development of two low-income townhouse communities. Principal and interest payments are paid out of the Authority's Capital Fund Program. The loan bears interest at a rate of 7.1% and matures in March of 2029. The Authority has pledged a first priority security interest to Capital One Public Finance, LLC in the Capital Fund Program grant funds to secure the loan. Interest expense incurred on the loan during the fiscal year was \$134,636. The outstanding balance as of September 30, 2022 was \$1,771,900.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Future projected payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2023	\$ 225,213	\$ 119,235	\$ 344,448
2024	241,732	102,716	344,448
2025	259,465	84,983	344,448
2026	278,501	65,497	343,998
2027	298,929	45,519	344,448
2028-2029	468,060	39,228	507,288
Total	<u>\$ 1,771,900</u>	<u>\$ 457,178</u>	<u>\$ 2,229,078</u>

Long-term liability activity for the year ended September 30, 2022, applicable to the Authority, was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
CFFP Debt	\$ 1,981,719	\$ -	\$ (209,819)	\$ 1,771,900	\$ 225,213
Accrued Compensated Absences	306,661	-	(76,354)	230,307	86,369
Long-Term Liabilities	<u>\$ 2,288,380</u>	<u>\$ -</u>	<u>\$ (286,173)</u>	<u>\$ 2,002,207</u>	<u>\$ 311,582</u>

Partners for Progress, Incorporated

In November of 2011, the Corporation issued a promissory note to Greenwell Land Acquisitions, LLC (GLA, LLC) in the amount of \$370,000 to purchase land from GLA, LLC, on which the Subdivision will be developed. GLA, LLC has agreed to forgive the 6% annual interest rate upon extinguishment of the loan. Therefore, Corporation management has not accrued an interest payable balance. The note matured on December 31, 2014, has not been paid or refinanced as of the date of these financial statements. The outstanding principal balance on the note as of September 30, 2022 was \$117,125.

During fiscal year 2014, the Corporation issued an Affordable Housing Program promissory note to Capital One National Association in the amount of \$480,200 to fund a loan the Corporation subsequently made to EBRPHA Development 4, LP, to partially finance the rehabilitation of the Roosevelt Terrace Apartment complex. The note is mortgaged with an assigned security interest in the Roosevelt Terrace Apartments property, matures in September of 2029, and will not bear interest as long as the Affordable Housing Program loan criteria are satisfied. The outstanding principal balance on the loan as of fiscal year-end 2022 was \$500,200.

In December 2020, the Corporation received a loan in the amount of \$292,500 from Home Bank with a maturity date of December 17, 2023, related to the purchase of 2080 Ardenwood. The annual interest rate for this loan is 4.95%. Loan is payable in full immediately upon demand. If no demand is made, the Corporation will pay this loan in one principal payment on maturity. This loan is collateralized by the property. The outstanding principal balance on the loan as of September 30, 2022 was \$292,500.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Partners for Progress, Incorporated (Continued)

During fiscal year 2021, the Corporation received a loan in the amount of \$70,000 from Liberty Bank with an original maturity date of May 16, 2021 and extended maturity date of August 16, 2023. The annual interest rate for this loan is 6.5%. Loan is payable in full immediately upon demand. If no demand is made, the Corporation will pay this loan in one principal payment on maturity. The outstanding principal balance on the loan as of September 30, 2022 was \$61,280.

Long-term liability activity for the year ended September 30, 2022, applicable to the Corporation, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Land Acquisition Note Payable	\$ 117,125	\$ -	\$ -	\$ 117,125	\$ 117,125
Loan Liability due to Liberty Bank	70,000	-	(8,720)	61,280	61,280
Note Payable to Home Bank	292,500	-	-	292,500	-
AHP Loan due to Capital One, National Association	500,200	-	-	500,200	-
Long-Term Liabilities	<u>\$ 979,825</u>	<u>\$ -</u>	<u>\$ (8,720)</u>	<u>\$ 971,105</u>	<u>\$ 178,405</u>

Future projected payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2023	\$ 178,405	\$ 5,801	\$ 184,206
2024	292,500	1,251	293,751
2025	-	1,251	1,251
2026	-	1,251	1,251
2027	-	1,251	1,251
2052-2056	500,200	1,251	501,451
Total	<u>\$ 971,105</u>	<u>\$ 12,053</u>	<u>\$ 983,158</u>

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships

The Partnerships have incurred the following debts and respective accrued interest, as of December 31, 2021:

Brookstown Place Partnership, ALPIC

Permanent Mortgage Loan due to Enterprise Team, Inc., Dated February 2009, Matures March 2029, 7.03% Interest	\$ 868,706	
Accrued Interest Payable on Mortgage Loan	5,312	
Developer Fees due to Partners for Progress, Inc.	68,736	
Deferred Developer Fees due to Project Consultant	206,207	\$ 1,148,961

Cedar Pointe Subdivision, LP

Permanent Mortgage Loan due to Barings Multifamily Capital, LLC, 18-year loan term, 7.14% Interest	2,338,491	
Accrued Interest Payable on Mortgage Loan	14,540	2,353,031

Wesley Chapel Development, LP

Permanent Mortgage Loan due to Home Federal Bank, Dated July 2014, Matures August 2030, 6.84% Interest	1,504,996	
Accrued Interest Payable on Mortgage Loan	8,791	
Operating and Developer Fees Due to EBRPHA	119,237	
Nonrecourse Loan due to Partners for Progress, Inc. in the Amount of \$500,000, dated July 2014, Noninterest Bearing, Matures July 2044	500,000	
Deferred Developer Fees due to Partners for Progress, Inc.	23,523	
Deferred Developer Fees due to Project Consultant	47,759	
Tax Credit Assistance Loan due to the Louisiana Housing Corporation of \$1M, 3% Interest per Annum, Matures March 2041 (Annual Required Payments Depend on Excess LP Cash Flows)	1,000,000	
Interest Payable on Tax Credit Assistance Loan	300,416	3,504,722

EBRPHA Development 1, LP

Permanent Mortgage Loan Dated October 2013 due to Capital One, 6.75% Interest, Matures October 2043	1,134,278	
Accrued Interest Payable on Mortgage Loan	6,448	
Subordinate Mortgage Loan (CFFP Loan) due to EBRPHA Dated January 2012, Matures February 2052, 2.00% Interest Compounded Annually	1,325,570	
Accrued Interest Payable on CFFP Loan due to EBRPHA	276,265	
Subordinate Mortgage due to EBRPHA (HA Loan) Dated January 2012, Matures January 2052, 2.00% Interest Compounded Annually	209,000	
Accrued Interest Payable on HA Loan due to EBRPHA	45,769	
Affordable Housing Program (AHP) Loan due to Capital One, N.A., Dated January 2012, of \$700K, 0.25% Interest Per Annum, Matures January 2053	700,000	
Accrued Interest Payable on AHP Loan	15,750	
Subordinate Mortgage Loan Due to the East Baton Rouge Redevelopment Authority of \$500K, Dated January 2012, 0% Interest, Matures January 2042 As of April 2021, due to Partners for Progress, Inc.	500,000	
Deferred Developer Fees due to Partners for Progress, Inc.	12,126	
Deferred Developer Fees due to EBRPHA	36,213	
Deferred Developer Fees due to Project Sub-developer	6,529	4,267,948

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships (Continued)

EBRPHA Development 2, LP

Permanent Mortgage Loan due to Capital One, Dated October 2013, 6.75% Interest, Matures October 2043	\$ 1,080,601	
Accrued Interest Payable on Mortgage Loan	6,143	
Subordinate Mortgage Loan (CFFP Loan) due to EBRPHA, Dated January 2012, Matures February 2052, 2.00% Interest	1,266,000	
Accrued Interest Payable on CFFP Loan due to EBRPHA	265,297	
Subordinate Mortgage Loan Due to EBRPHA (HA Loan) Dated January 2012, Matures January 2052, 2.00% Interest	209,000	
Accrued Interest Payable on HA Loan due to EBRPHA	45,769	
Affordable Housing Program (AHP) Loan due to Capital One, N.A., Dated January 2012 of \$700K, .25% Interest per Annum, Matures January 2053	700,000	
Accrued Interest Payable on AHP Loan	15,750	
Subordinate Mortgage Loan due to the East Baton Rouge Redevelopment Authority of \$500K, Dated January 2012, 0% Interest per Annum, Matures January 2042. As of April 2021, due to Partners for Progress, Inc.	500,000	
Deferred Developer Fees due to Partners for Progress, Inc.	10,181	
Deferred Developer Fees due to EBRPHA	30,424	
Deferred Developer Fees due to Project Sub-Developer	20,000	\$ 4,149,165

EBRPHA Development 4, LP

Subordinate Mortgage Loan (HA Loan) due to EBRPHA Dated September 2014, Matures September 2034, 2.94% Interest	400,000	
Accrued Interest Payable on Promissory Note due to EBRPHA	93,509	
AHP Loan due to Partners for Progress, Inc. Dated September 2014, Matures September 2055. .25% Interest	480,200	
Accrued Interest Payable on AHP Loan due to Partners for Progress	8,771	
Deferred Developer Fees due to Partners for Progress, Inc.	5,486	
Deferred Developer Fees due to EBRPHA	16,456	
Deferred Developer Fees due to Project Sub-Developer	124,340	1,128,762

River South Development, LP

Permanent Mortgage Loan due to Home Federal Bank, dated August 2017, Matures September 2036, 6.14% Interest	2,873,900	
Accrued Interest Payable on Mortgage Loan	14,723	
CDBG Loan due Louisiana Housing Corporation dated August 2017, Matures August 2057, 2.58% Interest	233,964	
Accrued Interest Payable on CDBG Loan	19,630	
PHA Loan due to EBRPHA Dated August, 2017, Matures August 2057, 2.58% Interest	794,806	
Accrued Interest Payable on PHA Loan due to EBRPHA	89,216	
Deferred Developer Fees due to Partners for Progress, Inc.	119,905	4,146,144
Total Partnerships Debt		<u>\$ 20,698,733</u>

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships (Continued)

Permanent mortgage loans for the Partnerships are described below:

Brookstown Place Partnership, APIC obtained permanent financing from Enterprise Team, Inc. on February 4, 2009. The loan has a twenty-year permanent mortgage with a forty-year amortization period in the original amount of \$1,000,000. This loan matures on March 1, 2029. The loan bears an annual interest rate of 7.03% with monthly interest and principal payments of \$6,236, and one balloon payment in the year 2029. The loan had an outstanding balance of \$868,706 and accrued interest of \$5,312 at December 31, 2021. The nonrecourse note is collateralized by buildings and land.

Cedar Pointe Subdivision, LP obtained permanent financing from Barings Multifamily Capital, LLC. The loan has an eighteen-year permanent mortgage with a thirty-five-year amortization period in the original amount of \$2,640,000. The loan bears an annual interest rate of 7.14% with monthly interest and principal payments of \$17,126, and one balloon payment in the year 2027. The loan had an outstanding balance of \$2,338,491 and accrued interest of \$14,540 at December 31, 2021. The non-recourse note is collateralized by buildings and land.

Wesley Chapel Development, LP obtained permanent financing from Home Federal Bank in July 2014 in the principal amount of \$1,700,000. The loan bears interest at 6.84% with monthly principal and interest installments of \$11,265. The loan has a term of sixteen (16) years with a thirty (30) year amortization period and a balloon payment due on the maturity date of August 1, 2030. The non-recourse loan is collateralized by a first mortgage on the Partnership's land and buildings. At December 31, 2021, the balance of this loan was \$1,504,996 and accrued interest was \$8,791.

Wesley Chapel Development, LP entered into a nonrecourse loan agreement with Louisiana Housing Corporation from the federal Tax Credit Assistance Program in the principal amount of \$1,000,000 bearing fixed interest of 3% per annum, and having a maturity date of March 1, 2041, with annual payment of principal and interest equal to 75% of surplus cash, which is defined in the TCAP Loan documents as cash (excluding tenant security deposits) remaining at the end of the year after (A) payment of all operating expenses for such fiscal year; (B) payment of all sums due to currently required to be paid under the terms of any Permanent Loan documents; (C) payment of all amounts required to be deposited into any reserve fund for the payment of operating expenses, any reserve for replacements, or any other special reserve funds required to be maintained under the Permanent Loan documents or the TCAP Loan documents; and (D) asset management fees and tax credit adjuster payment payable to the Investor Limited Partner. At December 31, 2021, the balance of the loan was \$1,000,000 and accrued interest was \$300,416.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships (Continued)

EBRPHA Development 1, LP has a permanent loan dated October 29, 2013 from Capital One in the original amount of \$1,289,000. The term of the loan is fifteen years with a thirty-year amortization. The interest rate is 6.75% with principal and interest payments of \$8,360 per month. The non-recourse loan will be collateralized by the Partnership's land and improvements (as fee simple or leasehold). At December 31, 2021, the balance of the loan was \$1,134,278 and accrued interest was \$6,448.

In January 2012, EBRPHA Development 1, LP received a subordinate mortgage loan (the HA Loan) in the original principal amount of \$209,000 from the Authority which is evidenced by a mortgage note between the Partnership and the Authority. The term of loan is forty (40) years at an annual interest rate of two (2%), compounded annually. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The Partnership shall make payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2021, the balance of the loan was \$209,000 and accrued interest was \$45,769. As of September 30, 2022, the Authority shows a balance of \$197,991, due to a release of funds of \$11,009 in September of 2022. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

In January 2012, EBRPHA Development 1, LP received a subordinate mortgage loan (the CFFP Loan) in the original principal amount of \$1,500,570 from the Authority. The loan is for a term of forty (40) years and will be due in full and payable on or before February 1, 2052. The loan will accrue interest at two (2%), compounded annually, and is evidenced by a mortgage note between the Partnership and the Authority. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). During 2013, \$175,000 was released from the Guarantor Reserve to pay down the principal balance of the loan. The Partnership shall make payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2021, the balance of the loan was \$1,325,570 and accrued interest was \$276,265. This amount is recorded in notes receivable on the Authority's side as indicated in Note 6. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships (Continued)

In January 2012, EBRPHA Development 1, LP received an AHP Loan in the amount of \$700,000 from Capital One, N.A., that is sourced by the Federal Home Loan Bank Affordable Housing Program. The loan has a term of forty (40) years. The entire principal of the loan together with simple interest at the rate of one quarter of one percent (0.25%) per annum, shall be paid to the Payee on the forty-first (41st) anniversary of this note, January 31, 2053 (the Maturity Date). No interest shall accrue from January 31, 2012 through the date on which construction is completed for the project. This loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been Consented to by the Special Limited Partner) and which will be held by parties who are not "related parties" except with respect to the Capital One Loan to any of the Partners within the meaning of Section 752 of the Code and the Regulations thereunder. The Partnership shall make annual payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2021, the balance of the loan was \$700,000 and accrued interest was \$15,750.

In January 2012, the East Baton Rouge Redevelopment Authority (RDA) provided a subordinate mortgage loan (the RDA Loan) in the amount of \$500,000 to EBRPHA Development 1, LP. The loan has a thirty-year term and will accrue interest at zero (0.00%) percent annually. The loan is evidenced by a mortgage note between the Partnership and the Lender and is secured by the RDA Mortgage and other related security documents and financing statements. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The loan will be repaid solely from Surplus Cash, to the extent Surplus Cash is generated from the operation of the Project, in the sum of one-third (1/3) of the first \$42,000 of Surplus Cash; plus, two thirds (2/3) of any excess over the \$42,000 of Surplus Cash. At December 31, 2021, the balance of the loan was \$500,000. In April of 2021, this mortgage was reassigned to Partners for Progress, Inc. Partners for Progress, Inc. shows this amount as a receivable of \$441,672 on the statement of net position as of September 30, 2022 due to a release of funds of \$58,328 in September 2022.

EBRPHA Development 2, LP has a permanent loan dated October 29, 2013 from Capital One in the original amount of \$1,228,000. The term of the loan is fifteen years with a thirty-year amortization. The interest rate is 6.75% with principal and interest payments of \$7,965 per month. The non-recourse loan will be collateralized by the Partnership's land and improvements (as fee simple or leasehold). At December 31, 2021 the balance of the loan was \$1,080,601 and accrued interest was \$6,143.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships (Continued)

In January 2012, EBRPHA Development 2, LP received a subordinate mortgage loan (the HA Loan) in the original principal amount of \$209,000 from the Authority which is evidenced by a mortgage note given between the Partnership and the Authority. The term of loan is forty (40) years at an annual interest rate of two (2%), compounded annually. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The Partnership shall make payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2021, the balance of the loan was \$209,000 and accrued interest was \$45,769. This amount is recorded in notes receivable on the Authority's side as indicated in Note 6. As of September 30, 2022, the Authority shows a balance of \$203,730, due to a release of funds of \$5,270 in September of 2022. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

In January 2012, EBRPHA Development 2, LP received a subordinate mortgage loan (the CFFP Loan) in the original principal amount of \$1,441,000 from the Authority. The loan is for a term of forty (40) years and will be due in full and payable on or before February 1, 2052. The loan will accrue interest at two (2%), compounded annually, and is evidenced by a mortgage note between the Partnership and the Authority. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). During 2013, \$175,000 was released from the Guarantor Reserve to pay down the principal balance of the loan. The Partnership shall make payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2021, the balance of the loan was \$1,266,000 and accrued interest was \$265,297. This amount is recorded in notes receivable on the Authority's side as indicated in Note 6. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

In January 2012, EBRPHA Development 2, LP received an AHP Loan in the amount of \$700,000 from Capital One, N.A., that is sourced by the Federal Home Loan Bank Affordable Housing Program. The loan has a term of forty (40) years. The entire principal of the loan together with simple interest at the rate of one quarter of one percent (0.25%) per annum, shall be paid to the Payee on the forty-first (41st) anniversary of this note, January 31, 2053 (the Maturity Date). No interest shall accrue from January 31, 2012 through the date on which construction is completed for the project. This loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been Consented to by the Special Limited Partner) and which will be held by parties who are not "related parties" except with respect to the Capital One Loan to any of the Partners within the meaning of Section 752 of the Code and the Regulations thereunder. The Partnership shall make annual payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2021 the balance of the loan was \$700,000 and accrued interest was \$15,750.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships (Continued)

In January 2012, the East Baton Rouge Redevelopment Authority (RDA) provided a subordinate mortgage loan in the amount of \$500,000 (the RDA Loan) to EBRPHA Development 2, LP. The loan has a thirty-year term and will accrue interest at zero (0.00%) percent annually. The loan will be evidenced by a mortgage note between the Partnership and the Lender and is secured by the RDA Mortgage and other related security documents and financing statements. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The loan will be repaid solely from Surplus Cash, to the extent Surplus Cash is generated from the operation of the Project, in the sum of one-third (1/3) of the first \$42,000 of Surplus Cash; plus two thirds (2/3) of any excess over the \$42,000 of Surplus Cash. At December 31, 2021, the balance of the loan was \$500,000. In April of 2021, this mortgage was reassigned to Partners for Progress, Inc. Partners for Progress, Inc. shows this amount as a receivable of \$441,672 on the statement of net position as of September 30, 2022 due to a release of funds of \$58,328 in September 2022.

On September 17, 2014, the EBRPHA Development 4, LP received an AHP Loan in the amount of \$480,200 from Partners for Progress, Inc. (Payee) through Capital One, N.A. (AHP Lender) that is sourced by the Federal Home Loan Bank Affordable Housing Program. The entire principal of the loan together with simple interest at the rate of one quarter of one percent (0.25%) per annum, shall be paid to the Payee on the forty-first (41st) anniversary of this note, September 17, 2055 (the Maturity Date). This loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner) and which will be held by parties who are not "related parties" except with respect to the Capital One Loan to any of the Partners within the meaning of Section 752 of the Code and the Regulations thereunder. The Partnership shall make annual payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2021, the balance of the loan was \$480,200 and accrued interest was \$8,771. Maturities of the notes for the five years succeeding the year-end cannot be determined since payments are derived from cash flows. This amount is recorded in notes receivable on Partners for Progress' side as indicated in Note 6.

On September 17, 2014, EBRPHA Development 4, LP received a subordinate mortgage loan (the HA Loan) in the original principal amount of \$400,000 from the Authority. The loan is for a term of fifteen (15) years and will be due in full and payable on twenty years (20) from the date of advance. The loan will accrue interest at two and ninety-four hundredths percent (2.94%), compounded annually, and is evidenced by a mortgage note given by the Partnership to the Housing Authority. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The Partnership shall make payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2021, the balance of the loan was \$400,000 and accrued interest was \$93,509. This amount is recorded in notes receivable on the Authority's side as indicated in Note 6. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships (Continued)

River South Development, LP was provided permanent financing by Home Federal Bank in the amount of \$2,970,000. The loan is a 17-year recourse loan with a maturity date of September 1, 2036. The loan is collateralized by a first lien deed of trust/mortgage on land and improvements, as well as assignments and/or first security interest in rents and leases, tax credits, general construction contract, architect's contract, management contract, development agreement, social service contract, FF&E, and all accounts including escrow, reserve and operating accounts. The loan shall bear an interest rate of six-point fourteen percent (6.14%) per annum compounded annually on the unpaid principal balance. Monthly payments of principal and interest are to be made in the amount of \$17,504. As of December 31, 2021, the balance of this loan was \$2,873,900 and accrued interest was \$14,723.

On August 1, 2017, River South Development, LP received a Loan in the amount of \$233,964 from the Louisiana Housing Corporation that is sourced by the Community Development Block Grant Program. In the absence of an Event of Default, the CDBG Loan shall mature on August 21, 2057 (the Maturity Date). The loan is nonrecourse to the Partnership and the Partners, as long as the Partners continue to qualify the Complex as a "qualified low-income project" under Section 42(g) of the Internal Revenue Code. This loan is subordinate to the Construction Loan and Permanent Loan and senior to the Housing Authority Loan. The loan shall bear simple interest of two and fifty-eight hundredths percent (2.58%), and shall be repaid in annual installments on or before April 1 of each calendar year of the Term (the Payment Date) equal to fifty percent (50%) of Surplus Cash. At December 31, 2021, the balance of the Loan was \$233,964 and accrued interest was \$19,630.

On August 21, 2017, River South Development, LP received a Loan in the amount of \$794,806 from the Authority (Lender) that is partially sourced from Replacement Housing Factor funds from the United States Department of Housing and Urban Development (HUD). All amounts outstanding hereunder shall be due in full on or before August 21, 2057 (the Maturity Date). This loan is non-recourse to the Partnership and the Partners, and which will be held by parties who are not "related parties". The advanced and funded unpaid principal balance of this loan shall accrue interest at the applicable federal rate per annum. As of December 31, 2019, this rate was 2.58%. The Partnership shall make annual payments to the Lender from the Borrower's Net Cash flow as set forth in the Partnership Agreement. At December 31, 2021, the balance of the loan was \$794,806 and accrued interest was \$89,216.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships (Continued)

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2022	\$ 158,473	\$ 490,046	\$ 648,519
2023	169,518	481,390	650,908
2024	181,337	472,117	653,454
2025	193,981	462,181	656,162
2026	207,510	437,335	644,845
2027-2031	17,869,899	4,825,365	22,695,264
Total	<u>\$ 18,780,718</u>	<u>\$ 7,168,434</u>	<u>\$ 25,949,152</u>

The above does not include debt issuance costs for the Partnerships in the amount of \$161,206.

Long-term liability and accrued interest activity for the year ended December 31, 2021 applicable to the Partnerships, was as follows:

	<u>January 1,</u>			<u>December 31,</u>	<u>Due Within</u>
	<u>2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>2021</u>	<u>One Year</u>
Permanent Mortgages Payable	\$ 10,102,214	\$ -	\$ (301,242)	\$ 9,800,972	\$ 126,188
Other Capital Debt	3,633,964	-	-	3,633,964	32,285
Other Capital Debt due to The HA of EBRP	4,204,376	-	-	4,204,376	-
Other Capital Debt due to Partners for Progress, Inc.	980,200	-	-	980,200	-
Deferred Developer Fees Payable	404,835	-	-	404,835	-
Deferred Developer Fees Payable to The HA of EBRP	83,093	-	-	83,093	-
Deferred Developer Fees Payable to Partners for Progress, Inc.	275,957	-	(36,000)	239,957	-
Interest Payable	337,265	35,948	(63)	373,150	55,957
Interest Payable due to The HA of EBRP	752,140	98,306	(268)	850,178	-
Interest Payable due to Partners for Progress, Inc.	7,552	1,219	-	8,771	-
Operating Advance due to The HA of EBRP	119,237	-	-	119,237	-
Long-Term Liabilities	<u>\$ 20,900,833</u>	<u>\$ 135,473</u>	<u>\$ (337,573)</u>	<u>\$ 20,698,733</u>	<u>\$ 214,430</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 NOTES PAYABLE (CONTINUED)

Partnerships (Continued)

A summary of each Partnerships' capital debt, accrued interest and other noncurrent liability balances as of December 31, 2021 are as follows:

	Capital Debt	Developer Fees Payable	Accrued Interest Payable and Other	December 31, 2021 Balance	Due Within One Year
Brookstown Place	\$ 868,706	\$ 274,943	\$ 5,312	\$ 1,148,961	\$ 16,757
Cedar Pointe	2,338,491	-	14,540	2,353,031	52,417
Wesley Chapel Dev.	3,004,996	71,282	428,444	3,504,722	39,437
EBRPHA Dev. 1, LP	3,868,848	54,868	344,232	4,267,948	30,118
EBRPHA Dev. 2, LP	3,755,601	60,605	332,959	4,149,165	28,693
EBRPHA Dev. 4, LP	880,200	146,282	102,280	1,128,762	-
River South Development	3,902,670	119,905	123,569	4,146,144	47,008
Total	<u>\$ 18,619,512</u>	<u>\$ 727,885</u>	<u>\$ 1,351,336</u>	<u>\$ 20,698,733</u>	<u>\$ 214,430</u>

NOTE 9 DEFERRED COMPENSATION PLAN

The Authority provides deferred compensation benefits for all of its full-time employees through the State of Louisiana Public Employees Deferred Compensation Plan, a defined contribution plan. The plan is administered by Great West Retirement Services. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after up to twelve months of continuous service. The Authority contributes approximately 10.5% of the employee's eligible compensation, while the employees are not required to contribute to the plan. During fiscal year 2022, the Authority made the required contributions in the amount of \$276,311 and the employees contributed \$58,201. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately, upon participation in the plan.

NOTE 10 RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Authority has not had any significant reductions in insurance coverage or any claims not reimbursed. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

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

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 11 ECONOMIC DEPENDENCY

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

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

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

	Year Ended September 30, 2022 Total Revenue	Percentage of Total Revenue
Revenue from HUD		
Section 8 Housing Choice Voucher Program - HAP	\$ 31,602,452	68.83 %
Section 8 Housing Choice Voucher Program - Admin	2,880,099	6.19
Section 8 Housing Choice Voucher Program - CAREs	183,232	1.47
Public and Indian Housing	3,438,321	10.20
Public and Indian Housing - CAREs Act Funding	-	0.12
Capital Fund Program	1,233,613	0.90
Choice Neighborhood Implementation	1,078,035	1.59
Resident Opportunity & Supportive Services	61,945	0.14
Section 8 Moderate Rehabilitation Single Room	107,929	0.23
Emergency Housing Vouchers	145,321	0.46
Total Revenue from HUD	<u>40,730,947</u>	<u>90.13</u>
Non-HUD Funding		
Tenant Rental Revenue	1,960,248	5.10
Other Income	1,117,947	2.69
Portability-In - HAP	425,503	1.78
Portability-In - Administrative	23,564	0.12
Investment Income	6,107	-
Fee Revenue	91,774	0.18
Total Non-HUD Funding	<u>3,625,143</u>	<u>9.87</u>
Total Revenue	<u>\$ 44,356,090</u>	<u>100.00 %</u>

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 12 COMMITMENTS AND CONTINGENCIES

Primary Government

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

Partners for Progress, Incorporated

The Corporation is the sole member of Wesley Chapel Development, LLC. Wesley Chapel Development, LLC is the general partner of Wesley Chapel Development, LP. In September 2011, Wesley Chapel Development, LP obtained a loan from the Louisiana Housing Finance Agency (LHFA) for \$1,000,000. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. The loan matures in March 2041. As of December 31, 2021, the principal balance owed on the loan was \$1,000,000. Corporation management is anticipating the Partnership to report a balance of \$1,000,000 as of September 30, 2022, upon issuance of the Partnership's 2022 financial statements. The Corporation has guaranteed payment of the notes to Home Federal Bank and LHFA. In the event that the partnership defaults, the loans could become a liability of the Corporation.

NOTE 13 LAND LEASE

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

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 14 SUBSEQUENT EVENTS

Subsequent to the fiscal year ended September 30, 2022, the Cypress at Gardere development project was placed in service in October 2022. In future reporting periods, this will be reported as a discretely presented component unit.

Subsequent to September 30, 2022, on January 31, 2023, Partners for Progress, Inc. obtained a loan from East Baton Rouge Parish Housing Authority (the Authority) for \$1,249,000 with an interest rate of 3.84%. The loan matures on January 31, 2043 and all principal and accrued interest is due in full on maturity. The Corporation in turn lent this money to PSE 4550 North Boulevard, LLC with the exact same terms of the loan with the Authority.

NOTE 15 RESTATEMENT OF NET POSITION

A prior period adjustment was recorded to correct beginning net position for loans receivable balances that were previously expensed.

Beginning Net Position, October 1, 2021, as Originally Stated	\$ 30,610,206
Choice Neighborhood Note Receivable - Ardenwood Village	241,127
Riversouth Note Receivable	794,806
Beginning Net Position, as Restated	<u><u>\$ 31,646,139</u></u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION
YEAR ENDED SEPTEMBER 30, 2022,
EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2021**

Line Item No.	Account Description	Programs													E-1 Component Unit Exclusively Financed						
		Project Total	14 PHC Public Housing Cases	14 D/P Disaster Voucher Program	14 I/E E-66P-I/E	14 R/O Resident Opportunity & Supportive Services	14 R1 Housing Choice Vouchers	14 R3 Section 8 Moderate Rehabilitation Single Room Occupancy	14 R4 CC Central Office Case Manager	14 B Business Activities	14 R6 Revitalization of Severely Distressed Public Housing	14 HCL/HCV Cases	97 HO Disaster Housing Assistance Grant	14 EHV Emergency Housing Voucher	14 R2 Choice Neighborhoods Planning Grants	CCC/C	Eliminations	Primary Government Subtotal	Partners for Progress, Inc	Partnerships	
ASSETS																					
CURRENT ASSETS																					
Cash																					
111	Unrestricted	\$ 1,270,000	\$ -	\$ 557,775	\$ 1,891,345	\$ -	\$ 2,900,664	\$ 314,262	\$ -	\$ 189,240	\$ -	\$ -	\$ 75,059	\$ -	\$ -	\$ -	\$ 7,017,010	\$ 1,001,017	\$ 1,100,017		
111	Other Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
114	Tenant Security Deposits	158,041	-	-	-	-	-	-	-	-	-	-	167,501	-	-	-	167,501	-	2,752,277		
150	Total Cash	1,428,041	-	557,775	1,891,345	-	2,900,664	314,262	-	189,240	-	-	242,640	-	-	-	7,184,511	1,001,017	3,852,294		
Accounts and Notes Receivable																					
122	Accounts Receivable - HUD Other Projects	-	-	-	-	21,837	267,940	25,008	-	-	-	-	13,748	110,670	-	-	442,430	-	-		
124	Accounts Receivable - Other Government	-	-	-	-	-	54,662	-	-	-	-	-	-	-	-	54,662	-	-			
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	2,023,730	-	-	2,023,730	33,456	-		
126	Accounts Receivable - Tenants	123,011	-	-	-	-	24,044	-	-	-	-	-	-	-	-	-	215,935	-	47,578		
126.1	Allowance for Doubtful Accounts - Tenants	(1,024)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,316)	-	-		
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	(60,420)	-	-	-	-	-	-	-	-	-	(46,242)	-	(16,542)		
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
120	Total Receivables, Net	121,987	-	-	-	21,837	115,410	25,008	-	-	-	-	13,748	46,128	110,670	2,023,730	2,630,945	741,114	47,578		
Other Current Assets																					
142	Prepaid Expenses and Other Assets	594,864	-	-	-	-	-	12,821	-	-	-	-	-	-	-	-	96,021	75,725	1,353		
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,922	333,412	-		
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,726)	(15,726)	-		
144	Inter Program Due From	3,414,094	-	-	(222,597)	-	18,011	-	-	-	-	-	-	-	-	-	45,780	2,444,301	(6,544,425)		
145	Assets Held for Sale	-	-	-	-	-	80,982	-	-	-	-	-	-	-	-	-	-	-	-		
	Total Other Current Assets	4,408,077	-	-	(222,597)	-	80,982	-	-	-	-	-	-	-	-	-	45,780	2,444,301	(6,544,425)		
150	Total Current Assets	5,969,831	-	557,775	1,469,348	23,847	3,291,776	340,101	-	189,240	-	-	256,608	91,904	110,670	5,326,302	(6,544,425)	1,038,146	1,744,491		
NONCURRENT ASSETS																					
Capital Assets																					
151	Land	2,505,221	-	-	-	-	-	-	474,240	2,207,244	-	-	-	-	-	597,405	5,744,669	(2) 500	809,863		
152	Buildings	37,930,891	-	-	-	192,046	-	-	1,090,021	-	-	-	1,230,141	-	-	1,230,141	40,670,759	-	52,237,754		
154	Furniture and Equipment - Administration	267,527	-	-	-	184,174	-	-	19,112	-	-	-	106,349	-	-	577,257	15,418	-	3,725,104		
155	Leasehold Improvements	5,171,262	-	-	-	-	-	-	218,099	-	-	-	176,697	-	-	6,054,058	-	-	5,630,739		
156	Accumulated Depreciation	(4,729,302)	-	-	-	(535,149)	-	-	(289,614)	-	-	-	(1,632,451)	-	-	(27,867,371)	(15,418)	-	(18,005,045)		
157	Construction in Progress	155,339	-	-	-	-	-	-	-	-	-	-	-	-	-	155,339	-	-	-		
150	Total Capital Assets, Net	11,341,638	-	-	-	136,871	-	-	474,240	2,551,473	-	-	2,003,141	-	-	968,451	15,134,721	(2) 500	45,892,326		
171	Notes, Loans and Mortgages Receivable - Noncurrent	400,000	-	-	-	-	-	-	-	3,765,375	-	-	-	-	788,711	4,011,721	-	4,006,664	6,245,194		
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	428,086		
190	Total Noncurrent Assets	11,741,638	-	-	-	136,871	-	-	474,240	3,820,225	2,551,473	-	-	-	788,711	1,370,172	20,145,229	10,251,884	45,892,420		
190	Total Assets	\$ 17,700,831	\$ -	\$ 557,775	\$ 1,469,348	\$ 23,847	\$ 3,291,776	\$ 340,101	\$ -	\$ 4,059,474	\$ 2,551,473	\$ -	\$ -	\$ 256,608	\$ 91,904	\$ 9,999,611	\$ 6,699,474	\$ (6,544,425)	\$ 31,441,725	\$ 8,992,998	\$ 50,649,341

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022
EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2021**

Line Item No	Account Description	Programs																	6.1 Component Unit - Discretely Presented			
		14 PHC Public Housing	14 DVP Disaster Voucher	14 870 Resident Opportunity & Supportive Services	14 571 Housing Choice Vouchers	14 249 Section 8 Moderate Rehabilitation Single Room Occupancy	14 CCC Central Office Cost Center	1 Business Activities	14 866 Revitalization of Severely Distressed Public Housing	14 HCC HC/V Cares	97 109 Disaster Housing Assistance Grant	14 EH/V Emergency Housing	14 892 Choice Neighborhoods Planning	COCC	Eliminations	Primary Government Subtotal	Partners-for-Progress Inc	Partnerships	Total			
		Project Total	14 IKE DHAP/IKE	14 Supportive Services	14 Choice Vouchers	14 Single Room Occupancy	14 Cost Center	1 Business Activities	14 Public Housing	14 HC/V Cares	14 Assistance Grant	14 Emergency Housing	14 Choice Neighborhoods Planning	COCC	Eliminations	Primary Government Subtotal	Partners-for-Progress Inc	Partnerships	Total			
LIABILITIES AND NET POSITION																						
CURRENT LIABILITIES																						
312	Accounts Payable <= 90 Days	\$ 488,819	\$ -	\$ -	\$ -	\$ 119,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,855	\$ -	\$ 64,464	\$ -	\$ 653,810	\$ 47,841	\$ 62,632	\$ 784,083	
321	Accrued Wages/Payroll Taxes Payable	19,789	-	-	1,319	28,577	-	-	-	-	-	-	-	-	3,443	81,631	-	134,739	2,326	-	137,065	
322	Accrued Compensated Absences - Current Portion	13,574	-	-	-	39,640	-	-	-	-	-	-	-	-	-	33,155	-	86,389	6,249	-	92,618	
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,957	
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
341	Tenant Security Deposits	156,681	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	156,681	-	-	124,817	
342	Unearned Revenues	18,120	-	-	-	2,220	-	-	-	-	-	-	-	-	-	97,709	-	-	-	-	44,215	
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	225,213	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225,213	176,405	158,473	562,091	
345	Other Current Liabilities	-	-	-	-	19,308	-	-	-	-	-	-	-	-	-	28,425	50,687	-	98,420	1,770,361	-	
346	Accrued liabilities - Other	-	-	-	-	5,721	-	-	-	-	-	-	-	-	-	-	-	5,721	-	-	232,908	
347	Inter Program - Due To	88,666	-	-	22,616	612,986	12,863	-	-	907,627	-	579,053	20,963	-	193,208	3,787,011	(6,544,625)	-	-	-	-	
348	Loan Liability - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
310	Total Current Liabilities	990,642	-	-	33,937	1,127,734	12,863	-	-	907,627	-	579,053	128,672	10,855	225,076	4,016,648	(6,544,625)	1,478,802	2,005,002	688,802	4,182,706	
NONCURRENT LIABILITIES																						
351	Long-Term Debt, Net of Current - Capital	1,546,687	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,546,687	792,700	20,484,303	22,823,690	
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76,727	-	
354	Accrued Compensated Absences - Noncurrent	15,745	-	-	-	65,991	-	-	-	-	-	-	-	-	-	56,093	-	137,668	-	-	137,668	
355	Loan Liability - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
350	Total Noncurrent Liabilities	1,562,402	-	-	-	65,991	-	-	-	-	-	-	-	-	-	56,093	-	1,684,376	792,700	20,561,030	23,036,106	
300	Total Liabilities	2,553,044	-	-	33,937	1,193,625	12,863	-	-	907,627	-	579,053	128,672	10,855	225,076	4,073,021	(6,544,625)	3,163,178	2,797,702	21,259,932	27,220,812	
NET POSITION																						
508.4	Net Investment in Capital Assets	9,568,138	-	-	-	38,671	-	-	474,249	2,551,972	-	-	-	-	-	968,651	-	13,602,881	-	24,749,549	38,352,430	
511.1	Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,872	-	69,872	-	2,733,690	2,803,762	
512.4	Unrestricted	5,578,887	-	557,775	1,469,348	2,103,251	327,278	-	3,585,625	(907,827)	-	(579,053)	58,064	31,049	884,305	1,854,992	-	14,613,794	5,484,666	1,297,470	21,396,230	
513	Total Net Position	15,147,825	-	557,775	1,469,348	2,142,222	327,278	-	4,059,874	1,644,345	-	(579,053)	127,936	31,049	884,305	3,623,643	-	28,286,547	5,484,666	28,780,909	62,562,422	
600	Total Liabilities and Net Position	\$ 17,700,869	\$ -	\$ 557,775	\$ 1,469,348	\$ 23,937	\$ 3,335,847	\$ 340,161	\$ -	\$ 4,059,874	\$ 2,551,972	\$ -	\$ -	\$ 256,608	\$ 91,904	\$ 909,381	\$ 6,696,674	\$ (6,544,625)	\$ 31,448,725	\$ 8,282,668	\$ 50,040,841	\$ 89,773,234

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022
EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2021

Line Item No	Account Description	Programs														Component Use Enclosed Herein						
		Project Total	14 FHC Public Housing Cases	14 DVP Disaster Voucher Program	14 ETO Resident Opportunity & Supportive Services	14 E71 Housing Voucher Outreach	14 E4P Section 8 Multiple Rehabilitation Single Room Occupancy	14 E2C Central Home Care	1 Business Activities	14 E3- Rehabilitation of Severely Distressed Public Housing	14 HCLHIV Cases	14 E7P Disaster Housing Assistance Grant	14 EHV Emergency Housing Voucher	14 E9C State/Local Grants	14 E9E Neighborhood Planning Grants	COCC	Eliminations	Primary Government Subtotal	Partners, Inc. Progress, Inc.	Partnerships	Total	
REVENUE																						
20500	Net Tenant Rental Revenue	\$ 1,740,470																\$ 1,739,670			\$ 1,405,129	\$ 520,421
20400	Tenant Revenue - Other	161,529																161,529			16,637	178,216
30500	Total Tenant Revenue	1,902,000																1,901,200			1,421,766	598,637
30600	HUD PHA Operating Grants	4,127,480			61,465	34,022,511	107,029				193,242	145,121	1,072,055					49,359,482				40,389,493
30610	Capital Grants	344,474																344,474				344,474
30710	Management Fee																	1,418,401	(1,327,117)		91,274	91,274
30720	Asset Management Fee																	105,240	(105,240)			
30740	Bookkeeping Fee																	285,613	(285,613)			
30700	Total Fee Revenue																	1,909,267	(1,917,960)		91,274	91,274
31100	Investment Income - Unrestricted																	5,972	236		4,167	3,040
31400	Fraud Recovery																				41,127	41,127
31500	Other Revenue	212,549																			1,525,807	2,115,391
31600	Gain or Loss on Sale of Capital Assets																					4,141,749
30000	Total Revenue	6,844,721			61,465	34,077,042	107,029				193,242	145,121	1,082,072	2,115,291	(1,917,960)			48,359,090	2,115,391		1,424,870	50,399,022
EXPENSES																						
91100	Administrative Salaries	376,445				1,026,890	22,059					5,012	7,163	117,705	1,111,773			2,690,604	196,314	522,403	3,379,221	
91200	Auditing Fees	30,064				1,404	77												1,497	14,063		34,476
91300	Management Fee	750,563				1,781,164													(1,327,117)	91,274		91,274
91310	Bookkeeping Fee	69,820				314,787															(285,613)	
91400	Advertising and Marketing					22,096													20,966	1,234		25,210
91500	Employee Benefit Contributions - Administration	74,446				177,027	3,752						1,127	196,077				42,441	40,350			47,400
91600	Office Expense	506,327				376,981												1,062,722	93,750			1,153,472
91700	Local Expense	7,366				7,349												46,667	13,940			60,607
91800	Travel	7,362																23,235	10			23,245
91900	Other	452,402				1,141	52,126				193,242			992	521,050			1,430,735	16,562		264,419	1,717,676
91000	Total (excluding Administrative)	2,028,761			7,141	2,426,176	20,094				183,242	145,121	1,082,072	2,115,291	(1,917,960)			5,779,621	439,132		747,847	7,004,599
92000	Asset Management Fee	101,290																	(101,290)			
Tenant Services																						
92100	Tenant Services - Salaries	101,573				39,444															141,517	141,517
92300	Employee Benefit Contributions - Tenant Services	15,110				14,990															30,120	30,120
92400	Tenant Services - Other	96,293																			96,293	96,293
92500	Total Tenant Services	213,976				54,434															267,930	267,930
Utilities																						
93100	Water	77,997				234															79,344	79,344
93200	Electricity	1,694,414				4,406															1,698,820	1,698,820
93300	Gas	174,741				535															175,276	175,276
93400	Fuel																					
93500	Power	341,031				221															341,252	341,252
93600	Other																					
93000	Total Utilities	1,263,216				5,606															1,269,870	1,269,870

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2022
EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2021

Line Item No	Account Description	Programs																A-1 Component Unit Disclosed Previously			Total		
		14 PHC Public Housing Cases	14 DVP Disaster Voucher Program	14 INE DMAP INE	14 870 Resettlement Opportunity & Supportive Services	14 871 Housing Choice Vouchers	14 240 Section 8 Moderate Rehabilitation Single Room Occupancy	14 1000 Central Office Cost Center Cases	1 Business Activities	14 958 Revitalization of Severely Distressed Public Housing	14 HCC-HEV Cases	07 109 Disaster Housing Assistance Grant	14 EHV Emergency Housing Voucher	State/Local	14 892 (Home Neighborhood Planning Grants	CDC/C	Eliminations	Primary Government Subtotal	Partners- Inc Progact, Inc	Partnerships			
EXPENSES (CONTINUED)																							
Ordinary Maintenance and Operations																							
14100	Ordinary Maint and Operation- Labor	\$ 596,417	\$ -	\$ -	\$ -	\$ 1,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282	\$ -	\$ 508,772	\$ -	\$ -	\$ 596,772	
94200	Ordinary Maint and Operations Materials	453,747	-	-	-	1,021	-	-	-	-	-	-	-	-	-	-	1,756	-	437,977	1,620	-	439,717	
94300	Ordinary Maint and Operations Contracts	1,474,043	-	-	-	51,598	-	-	-	-	-	-	-	-	-	-	16,201	-	1,735,809	6,469	391,169	2,133,367	
14500	Employee Benefit Contributions-Maint	97,284	-	-	-	195	-	-	-	-	-	-	-	-	-	-	-	-	92,855	-	-	92,855	
14000	Total Maintenance	2,564,411	-	-	-	54,767	-	-	-	-	-	-	-	-	-	-	19,957	-	2,413,483	8,119	691,769	3,122,911	
Protective Services																							
16200	Protective Services - Other Contract Costs	85,287	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,214	-	-	86,501	
95000	Total Protective Services	85,287	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,214	-	-	86,501	
Insurance Premiums																							
16110	Property Insurance	1,024,077	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,199	-	1,035,276	-	497,142	1,554,418	
96120	Liability Insurance	16,245	-	-	-	83,085	-	-	-	-	-	-	-	-	-	-	-	-	140,147	1,201	-	142,346	
96140	Workmen's Compensation	15,925	-	-	-	27,502	-	75	-	-	-	-	-	-	-	-	614	-	12,944	-	-	14,718	
16140	All Other Insurance	46,177	-	-	-	41,759	-	-	-	-	-	-	-	-	-	-	-	-	15,426	4,122	-	18,448	
96100	Total Insurance Premiums	1,124,424	-	-	-	152,346	-	75	-	-	-	-	-	-	-	-	614	-	1,263,750	4,089	497,142	1,864,970	
Other General Expenses																							
16200	Other General Expenses	328,177	-	801,050	-	5,000	-	-	-	-	804,000	-	60,462	984	-	-	-	-	2,963,271	51,27	115,815	2,195,311	
96210	Compensated Absence	(42,129)	-	-	-	(16,479)	-	-	-	-	-	-	-	-	-	-	-	-	(34,242)	-	-	(8,400)	
16400	Bad Debt - Tenant Rents	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	-	-	914	
16500	Bad Debt - Other	-	-	-	-	1,271	-	-	-	-	-	-	-	-	-	-	-	-	1,271	-	-	1,271	
96000	Total Other General Expenses	286,441	-	801,050	-	(10,114)	-	-	-	-	804,000	-	60,462	984	-	-	-	-	(33,152)	-	1077	115,815	2,000,162
Interest of Mortgage for Bonds Payable																							
16710	Interest on Bonds Payable	134,146	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,410	477,309	611,445
97000	Total Interest Expense and Amortization	134,146	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,410	477,309	611,445
16000	Total Operating Expenses	7,875,112	-	801,050	61,845	2,634,754	26,682	-	-	183,132	804,000	1,420	95,013	646,729	2,250,807	(1,417,980)	13,419,151	494,871	1,405,244	17,620,264			
97000	Excess (Deficiency) of Operating Revenue Over (Under) Operating Expenses	(1,023,171)	-	(801,050)	12,146,402	81,116	-	-	(801,000)	1,366,000	11,050	443,176	41,104	-	30,516,939	2,120,940	-	110,630	1,279,554				
Other Expenses																							
17100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17200	Casualty Loss - Non-Capitalized	(1,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,614)	-	-	(5,614)	
97300	Housing Assistance Payments	-	-	-	-	31,919,864	71,317	-	-	-	-	-	207,750	-	-	-	-	-	-	-	-	32,159,118	32,159,118
97350	HAP Feasibility	-	-	-	-	429,489	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	529,889	529,429
17400	Depreciation Expense	1,101,146	-	-	-	23,123	-	-	-	68,466	-	-	-	-	-	-	-	-	1	-	1,311,910	1,105,544	
17000	Total Other Expenses	1,101,146	-	-	-	32,472,763	71,117	-	-	68,466	-	-	-	-	-	-	-	-	(4,613)	-	1,311,910	15,005,441	
16000	Total Expenses	8,979,440	-	801,050	61,845	25,304,517	98,000	-	68,466	183,132	804,000	214,176	97,010	649,729	2,256,194	(1,417,980)	13,419,151	494,871	1,405,244	17,620,264			
OTHER FINANCING SOURCES (USES)																							
10010	Operating Transfer In	900,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(900,000)	-	-	-	
10020	Operating Transfer Out	(900,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	900,000	-	-	-	
10040	Operating Transfers from Other Component	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10070	Extraordinary Items, Net (Gain/Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10080	Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10092	Inter-Program Excess Cash Transfer - Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(2,135,114)	-	(301,650)	(325,365)	9,924	-	(68,169)	-	(661,000)	(68,057)	11,050	443,176	437,047	(3,358,192)	2,120,940	-	(1,793,160)	(3,041,625)				
NET POSITION - END OF YEAR		\$ 15,147,325	\$ -	\$ 557,275	\$ 1,401,142	\$ -	\$ 2,142,222	\$ 327,274	\$ -	\$ 4,059,974	\$ 1,144,345	\$ -	\$ (576,051)	\$ 127,930	\$ 61,040	\$ 684,205	\$ 2,623,141	\$ -	\$ 26,280,547	\$ 5,414,986	\$ 20,780,509	\$ 62,552,422	

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
 FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED SEPTEMBER 30, 2022
 EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2021**

Line Item	Account Description	Project Total	Programs															Partnerships			Total															
			14 PHC Public Housing Cares	14 DVP Disaster Voucher Program	14 IKE DHAP/IKK	14 070 Resident Opportunity & Supportive Services	14 071 Housing Choice Vouchers	14 080 Moderate Rehabilitation Single Room Occupancy	14 C/OE Central Office One-Time Cares	1 Business Activities	14 880 Revitalization of Severely Distressed Public Housing	14 H-10 HCY Cares	97 109 Disaster Housing Assistance Grant	14 EHV Emergency Housing Voucher	State/Local	14 802 (C) HOME Neighborhood Planning Grants	COCC	Eliminations	Primary Government Subtotal	Partners, Inc. Progress, Inc.		Partnerships														
11020	Required Annual Debt Principal Payments	\$ 20,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11110	Beginning Equity	17,292,944	-	577,776	2,170,900	-	2,488,077	-	117,349	-	-	1,205,098	1,712,511	-	251,955	198,983	89,980	-	2,198,748	-	-	209,619	120,405	128,473	104,473	136,037,999	29,928,999	6,181,072	-	-	-	-	-	-	65,180,072	
11140	Prior Period Adjustments - Equity Transfers and Correction of Errors	-	-	-	-	-	-	-	-	-	794,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11170	Adjustments - Free Equity	-	-	-	-	2,142,224	-	-	-	-	-	-	-	-	-	-	-	241,127	-	-	11,639,914	-	-	-	-	-	-	-	-	-	-	-	148,988	-	-	1,681,233
11181	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11190	Unit Month Available	10,537	-	-	-	-	-	59,286	-	203	-	-	-	-	-	-	456	204	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11210	Number of Unit Months Leased	8,860	-	-	-	-	-	42,505	-	298	-	-	-	-	-	-	294	158	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11270	Excess Cash	2,791,515	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11710	Building Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11650	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Other Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14510	CHHP Debt Service Payments	344,454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14501	Replacement Housing Facility Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
COMBINING SCHEDULE OF THE DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2021**

	Brookstown Place Partnership, ALPIC	Cedar Pointe Subdivision, L.P.	Wesley Chapel Development, L.P.	EBRPHA Development 1, L.P.	EBRPHA Development 2, L.P.	EBRPHA Development 4, L.P.	River South Development, L.P.	Total
ASSETS								
Current Assets	\$ 133,331	\$ 1,315,968	\$ 805,817	\$ 615,933	\$ 651,097	\$ 431,738	\$ 266,537	\$ 4,220,421
Other Assets	1,109	8,225	79,318	56,056	54,490	19,277	209,620	428,095
Capital Assets	3,012,676	8,754,124	7,181,799	6,427,131	6,427,443	4,754,488	8,834,664	45,392,325
Total Assets	<u>\$ 3,147,116</u>	<u>\$ 10,078,317</u>	<u>\$ 8,066,934</u>	<u>\$ 7,099,120</u>	<u>\$ 7,133,030</u>	<u>\$ 5,205,503</u>	<u>\$ 9,310,821</u>	<u>\$ 50,040,841</u>
LIABILITIES								
Current Liabilities	\$ 37,025	\$ 128,680	\$ 161,565	\$ 131,456	\$ 119,751	\$ 23,086	\$ 97,339	\$ 698,902
Noncurrent Liabilities	1,175,650	2,333,895	3,465,285	4,237,830	4,120,472	1,128,762	4,099,136	20,561,030
Total Liabilities	<u>1,212,675</u>	<u>2,462,575</u>	<u>3,626,850</u>	<u>4,369,286</u>	<u>4,240,223</u>	<u>1,151,848</u>	<u>4,196,475</u>	<u>21,259,932</u>
NET POSITION								
Net Investment in Capital Assets	1,869,027	6,415,633	3,685,868	2,165,631	2,284,421	3,625,726	4,703,243	24,749,549
Restricted Net Position	96,399	528,597	739,067	489,115	486,759	325,890	68,063	2,733,890
Unrestricted Net Position	(30,985)	671,512	15,149	75,088	121,627	102,039	343,040	1,297,470
Total Net Position	<u>1,934,441</u>	<u>7,615,742</u>	<u>4,440,084</u>	<u>2,729,834</u>	<u>2,892,807</u>	<u>4,053,655</u>	<u>5,114,346</u>	<u>28,780,909</u>
Total Liabilities and Net Position	<u>\$ 3,147,116</u>	<u>\$ 10,078,317</u>	<u>\$ 8,066,934</u>	<u>\$ 7,099,120</u>	<u>\$ 7,133,030</u>	<u>\$ 5,205,503</u>	<u>\$ 9,310,821</u>	<u>\$ 50,040,841</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
COMBINING SCHEDULE OF THE DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2021**

	Brookstown Place Partnership, ALPIC	Cedar Pointe Subdivision, L.P.	Wesley Chapel Development, L.P.	EBRPHA Development 1, L.P.	EBRPHA Development 2, L.P.	EBRPHA Development 4, L.P.	River South Development, L.P.	Total
OPERATING REVENUES								
Tenant Revenue	\$ 277,021	\$ 887,459	\$ 665,446	\$ 400,836	\$ 420,003	\$ 282,501	\$ 488,594	\$ 3,421,860
Other Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	<u>277,021</u>	<u>887,459</u>	<u>665,446</u>	<u>400,836</u>	<u>420,003</u>	<u>282,501</u>	<u>488,594</u>	<u>3,421,860</u>
OPERATING EXPENSES								
Administrative	83,237	152,622	136,696	109,436	111,608	92,300	100,948	786,847
Utilities	4,171	7,537	53,084	20,971	16,260	18,179	17,669	137,871
Maintenance	84,061	189,181	210,197	142,920	135,923	71,379	57,538	891,199
Insurance Premiums	46,977	136,831	74,434	66,272	66,853	54,489	51,286	497,142
Protective Services	-	-	-	-	-	-	-	-
Other General Expense	32,230	59,897	9,130	4,225	3,167	3,364	3,802	115,815
Depreciation Expense	<u>122,847</u>	<u>342,982</u>	<u>307,943</u>	<u>329,601</u>	<u>324,234</u>	<u>183,201</u>	<u>301,102</u>	<u>1,911,910</u>
Total Operating Expenses	<u>373,523</u>	<u>889,050</u>	<u>791,484</u>	<u>673,425</u>	<u>658,045</u>	<u>422,912</u>	<u>532,345</u>	<u>4,340,784</u>
Operating Income (Loss)	(96,502)	(1,591)	(126,038)	(272,589)	(238,042)	(140,411)	(43,751)	(918,924)
NONOPERATING REVENUES (EXPENSES)								
Investment Income	71	453	899	557	557	392	81	3,010
Interest Expense	<u>(67,430)</u>	<u>(182,755)</u>	<u>(153,758)</u>	<u>(115,636)</u>	<u>(112,357)</u>	<u>(17,514)</u>	<u>(227,916)</u>	<u>(877,366)</u>
Total Nonoperating Revenue (Expenses)	<u>(67,359)</u>	<u>(182,302)</u>	<u>(152,859)</u>	<u>(115,079)</u>	<u>(111,800)</u>	<u>(17,122)</u>	<u>(227,835)</u>	<u>(874,356)</u>
Increase (Decrease) in Net Position	(163,861)	(183,893)	(278,897)	(387,668)	(349,842)	(157,533)	(271,586)	(1,793,280)
Net Position - Beginning of Year December 31, 2020	<u>2,055,701</u>	<u>7,755,130</u>	<u>4,591,008</u>	<u>3,045,631</u>	<u>3,171,228</u>	<u>4,190,471</u>	<u>5,119,720</u>	<u>29,928,889</u>
Prior Period Adjustments	<u>42,601</u>	<u>44,505</u>	<u>127,973</u>	<u>71,871</u>	<u>71,421</u>	<u>20,717</u>	<u>266,212</u>	<u>645,300</u>
NET POSITION - END OF YEAR DECEMBER 31, 2021	<u>\$ 1,934,441</u>	<u>\$ 7,615,742</u>	<u>\$ 4,440,084</u>	<u>\$ 2,729,834</u>	<u>\$ 2,892,807</u>	<u>\$ 4,053,655</u>	<u>\$ 5,114,346</u>	<u>\$ 28,780,909</u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of The Housing Authority of East Baton Rouge Parish (the Authority), as of and for the year ended September 30, 2022, except for the discretely presented component units with year-end of December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 27, 2023.

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

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-011 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-011.

The Authority's Response to Findings

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Lakeland, Florida
June 27, 2023



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

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

Report on Compliance for Each Major Federal Program

Qualified Opinions

We have audited the Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of East Baton Rouge Parish's (the Authority's) major federal programs for the year ended September 30, 2022. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinions on Housing Voucher Cluster and Public and Indian Housing

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions section of our report, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Housing Voucher Cluster and Public and Indian Housing for the year ended September 30, 2022.

Basis for Qualified Opinions

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

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

Matters Giving Rise to Qualified Opinion on Housing Voucher Cluster and Public and Indian Housing

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding Assistance Listing No. 14.871 Housing Voucher Cluster as described in finding numbers 2022-004 for Eligibility, 2022-006 for Special Tests – Rent Reasonableness and 2022-007 for Allowable Activities and Costs and Assistance Listing No. 14.850 Public and Indian Housing as described in finding numbers 2022-008 and 2022-010 for Allowable Activities and Costs.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-003, 2022-005 and 2022-009. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-004, 2022-006, 2022-007, 2022-008 and 2022-010 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-003, 2022-005 and 2022-009, to be significant deficiencies.

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

Board of Commissioners
The Housing Authority of East Baton Rouge Parish

Government Auditing Standards requires the auditor to perform limited procedures the Authority's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



CliftonLarsonAllen LLP

Lakeland, Florida
June 27, 2023

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2022**

Federal Grantor Program	Assistance Listing Number	Federal Expenditures	Passed through to Subrecipients
Direct Federal Assistance			
<u>United States Department of Housing and Urban Development</u>			
Public and Indian Housing	14.850	\$ 3,438,321	\$ -
Public Housing Capital Fund	14.872	1,233,613	-
COVID-19 Emergency Housing Vouchers	14.EHV	145,321	-
Housing Choice Voucher Program	14.871	34,482,551	-
COVID-19 Housing Choice Voucher Program CAREs Act Funding	14.HCC	183,232	-
Total Housing Voucher Cluster		<u>34,811,104</u>	-
Resident Opportunity and Supportive Services	14.870	61,945	-
Choice Neighborhood Planning Grants	14.892	1,078,035	-
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	<u>107,929</u>	-
Total Direct Federal Assistance		<u>40,730,947</u>	-
Total Federal Assistance		<u>\$ 40,730,947</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2022**

NOTE 1 BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2022. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COSTS

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

NOTE 4 HOUSING VOUCHER CLUSTER

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

Assistance Listing Numbers

14.871
14.850

Name of Federal Program or Cluster

Housing Voucher Cluster
Public and Indian Housing

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

\$1,221,928

Auditee qualified as low-risk auditee?

 X Yes No

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Section II – Financial Statement Findings

2022 – 001 – Financial Reporting

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

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

Adjustment required, and errors noted include the following:

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

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

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Section II – Financial Statement Findings (Continued)

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

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

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

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

Views of responsible officials and planned corrective actions: The Authority had no disagreement with this audit finding. EBRPHA's Finance Department was hit hard with three top Finance positions being vacated due to retirement, which left remaining staff and the agency with no HUD experience for Accounting and compliance. A new CFO started mid -June 2023 and will work with the team to implement better practices, controls and training.

2022 – 011 – Delay in Issuance of Financial Reporting

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

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

Criteria or specific requirement: State Law requires the audit report be completed and submitted to the Legislative Auditor by March 31, 2023.

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

Effect: The Authority is not compliant with State Law.

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Section II – Financial Statement Findings (Continued)

Views of responsible officials and planned corrective actions: There are no such disagreements with the finding. The Authority has hired additional personnel for financial reporting functions to address staffing shortfalls that were present.

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 002, 2021 - 001 – Special Tests – HQS Enforcement

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

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2022

Award Period: 10/1/21-9/30/22

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

Criteria or Specific Requirement: Per (24 CFR sections 982.158(d) and 982.404), For units under HAP contract that fail to meet HQS, the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop (abate) HAPs beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. The owner is not responsible for a breach of HQS as a result of the family's failure to pay for utilities for which the family is responsible under the lease or for tenant damage. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the PHA must take prompt and vigorous action to enforce the family obligations.

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

Questioned Costs: \$25,491

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

- 1 instance where a unit failed inspection and there is no documentation that the unit ever passed.

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

Effect: The Authority is not in compliance with federal regulations regarding inspections. The Authority paid HAP expenses for units that do not pass guidelines.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

Repeat finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2021-001.

Recommendation: We recommend that management review their controls for conducting follow up inspections on initially failed home inspections and ensure compliance standards are met.

Views of Responsible Officials: There is no disagreement with the audit finding.

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

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

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2022

Award Period: 10/1/21-9/30/22

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

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

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

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

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

Questioned Costs: Unable to determine.

Context: During testing of a sample of 25 tenant files, it was noted that 1 file did not comply with compliance requirements. The sample was a statistically valid sample.

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

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

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

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

Views of Responsible Officials: There is no disagreement with the audit finding.

2022 – 004 – Eligibility

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

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2022

Award Period: 10/1/21-9/30/22

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

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

The PHA must do the following:

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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

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

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

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

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

Questioned Costs: Unable to determine; projected to be over \$25,000

Context: During our testing of a sample of 40 tenant files, it was noted that 14 files did not comply with compliance requirements. The sample was a statistically valid sample.

- 7 instances where the income reported on the 50058 were not supported within the tenant file.
- 4 instances where the expenses reported on the 50058 were not supported within the tenant file.
- 8 instances where the authority failed to calculate the correct HAP/TAP
- 9 instances where the housing authority did not review the family income, assets and expenses on the annual basis.

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

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

Recommendation: We recommend that management review their controls over recertifications and ensure compliance standards for eligibility of tenants are met.

Views of Responsible Officials: There is no disagreement with the audit finding.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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

2022 – 005 – Reporting - PIC

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

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2022

Award Period: 10/1/21-9/30/22

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

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

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

Questioned Costs: Unable to determine.

Context: During testing of a sample of 40 HUD 50058 forms, it was noted that 5 files did not comply with compliance requirements. The sample was a statistically valid sample.

- 5 HUD-50058 forms were not submitted into the PIC system

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

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

Recommendation: We recommend that the Authority reviews their standard procedures to ensure the proper forms are submitted to the PIC system.

Views of Responsible Officials: There is no disagreement with the audit finding.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Questioned Costs – Major Federal Programs (Continued)

2022 – 006 – Special Tests – Reasonable Rent Changes

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

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2022

Award Period: 10/1/21-9/30/22

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

Criteria or Specific Requirement: The PHA's administrative plan must state the method used by the PHA to determine that the rent to owner is reasonable in comparison to rent for other comparable unassisted units. The PHA determination must consider unit attributes, such as the location, quality, size, unit type, and age of the unit, and any amenities, housing services, maintenance, and utilities provided by the owner.

The PHA must determine that the rent to owner is reasonable at the time of initial leasing. Also, the PHA must determine reasonable rent during the term of the contract (a) before any increase in the rent to owner, and (b) at the HAP contract anniversary if there is a 5 percent decrease in the published Fair Market Rent in effect 60 days before the HAP contract anniversary. The PHA must maintain records to document the basis for the determination that rent to owner is a reasonable rent (initially and during the term of the HAP contract) (2 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507).

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

Questioned Costs: Unable to determine.

Context: During testing of a sample of 25 tenant files, it was noted that 6 files did not comply with compliance requirements. The sample was a statistically valid sample.

- 5 instances where the comparison/determination of reasonable rent was missing, or the report was for a different amount requested.
- 6 instances where the determination of reasonable rent was done after the effective date of the 50058.
- 2 instances where the worksheet and Certification of Rent Comparability form was missing the signature of housing specialist or housing authority representative.
- 5 instances where the landlord and/or tenant was not notified of the rent increase.
- 3 instances where rent was not considered reasonable in relation to HUD's rent limits.

Cause: The Authority did not have internal controls to ensure compliance with the reporting requirements over reasonable rent requirements.

Effect: The Authority is not in compliance with federal regulations regarding determining reasonable rent for units. This could potentially effect determination of HAP funding.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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

Recommendation: We recommend that the Authority reviews its procedures to ensure controls over the reasonable rent process.

Views of Responsible Officials: There is no disagreement with the audit finding.

2022 – 007 – Allowable Activities and Costs

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

Federal Program Title: Housing Voucher Cluster

Assistance Listing Number: 14.871

Federal Award Identification Number and Year: LA003, 2022

Award Period: 10/1/21-9/30/22

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

Criteria or Specific Requirement: The Authority must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2 CFR section 200.303(a).

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

Questioned Costs: \$53,240

Context: During testing of a sample of 25 disbursements, it was noted that 7 disbursements did not comply with compliance requirements. The sample was a statistically valid sample.

- 5 instances where the Authority was unable to provide any documentation of the expense
- 1 instance where the documentation provided was not approved prior to disbursement
- 1 instance where a supervisor did not approve an employee’s timesheet

Cause: The Authority failed to maintain proper documentation to support expenses charged to the program. The supervisor failed to approve employee’s timesheets.

Effect: The Authority is not in compliance with minimum standards to maintain effective internal controls over general disbursements charged to the program.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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

Recommendation: We recommend the Authority reviews the established internal control procedures over charging expenses to programs and ensure the policies are followed for all expenses charged to the program. Additionally, we recommend that the Authority reviews the payroll procedures to ensure all timesheets are approved prior to payment.

Views of Responsible Officials: There is no disagreement with the audit finding.

2022 – 008 – Allowable Activities and Costs

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

Federal Program Title: Public and Indian Housing

Assistance Listing Number: 14.850

Federal Award Identification Number and Year: LA003, 2022

Award Period: 10/1/21-9/30/22

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

Criteria or Specific Requirement: The Authority must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2 CFR section 200.303(a)).

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

Questioned Costs: \$17,793

Context: During testing of a sample of 25 disbursements, it was noted that 11 disbursements did not comply with compliance requirements. The sample was a statistically valid sample.

- 5 instances where the Authority was unable to provide any documentation of the expense
- 6 instances where a supervisor did not approve an employee’s timesheet

Cause: The Authority failed to maintain proper documentation to support expenses charged to the program. The supervisor failed to approve employee’s timesheets.

Effect: The Authority is not in compliance with minimum standards to maintain effective internal controls over general disbursements charged to the program.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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

Recommendation: We recommend the Authority reviews the established internal control procedures over charging expenses to programs and ensure the policies are followed for all expenses charged to the program. Additionally, we recommend that the Authority reviews the payroll procedures to ensure all timesheets are approved prior to payment.

Views of Responsible Officials: There is no disagreement with the audit finding.

2022 – 009 – Procurement and Suspension and Debarment

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

Federal Program Title: Public and Indian Housing

Assistance Listing Number: 14.850

Federal Award Identification Number and Year: LA003, 2022

Award Period: 10/1/21-9/30/22

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

Criteria or Specific Requirement: Non-federal entities other than states, including those operating federal programs as subrecipients of states, must follow the procurement standards set out at 2 CFR sections 200.318 through 200.326. They must use their own documented procurement procedures, which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable federal statutes and the procurement requirements identified in 2 CFR Part 200. A non-federal entity must:

1. Meet the general procurement standards in 2 CFR section 200.318, which include oversight of contractors' performance, maintaining written standards of conduct for employees involved in contracting, awarding contracts only to responsible contractors, and maintaining records to document history of procurements.
2. Conduct all procurement transactions in a manner providing full and open competition, in accordance with 2 CFR section 200.319. Use the micro-purchase and small purchase methods only for procurements that meet the applicable criteria under 2 CFR sections 200.320(a) (1) and (2). Under the micropurchase method, the aggregate dollar amount does not exceed \$10,000 (\$2,000 in the case of acquisition for construction subject to the Wage Rate Requirements (Davis-Bacon Act)). Small purchase procedures are used for purchases that exceed the micro-purchase amount but do not exceed the simplified acquisition threshold (\$250,000). Micropurchases may be awarded without soliciting competitive quotations if the non-federal entity considers the price to be reasonable (2 CFR section 200.320(a)). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources (2 CFR section 200.320(b)).
3. For acquisitions exceeding the simplified acquisition threshold, the non-federal entity must use one of the following procurement methods: the sealed bid method if the acquisition meets the criteria in 2 CFR section 200.320(b); the competitive proposals method under the conditions specified in 2 CFR section 200.320((b) (2)); or the noncompetitive proposals method (i.e., solicit a proposal from only one source) but only when one or more of four circumstances are met, in accordance with 2 CFR section 200.320(c)).

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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

4. Perform a cost or price analysis in connection with every procurement action in excess of the simplified acquisition threshold, including contract modifications (2 CFR section 200.323(a)). The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used (2 CFR section 200.323(b)).
5. Ensure that every purchase order or other contract includes applicable provisions required by 2 CFR section 200.326. These provisions are described in Appendix II to 2 CFR Part 200, "Contract Provisions for Non-Federal Entity Contracts Under Federal Awards." When a non-federal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at SAM.gov | Home (click on Search Record, then click on Advanced Search Exclusions) (Note: The OMB guidance at 2 CFR Part 180 and agency implementing regulations still refer to the SAM Exclusions as the Excluded Parties List System (EPLS)), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

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

Questioned Costs: \$135,749

Context: During testing of a sample of 7 vendors, it was noted that 7 contracts did not comply with compliance requirements. The sample was a statistically valid sample.

- For 1 vendor tested, the Authority was unable to provide a copy of the contract, or documentation to support the contract was properly procured.
- For 1 vendor tested, the Authority was unable to provide documentation to support that a cost analysis was performed prior to entering the contract.
- For all 7 contracts tested, the Authority was unable to provide documentation that it ensured the vendor was not suspended or debarred prior to entering into the contract.

Cause: The Authority failed to maintain proper documentation of contracts and procurement procedures to evidence compliance.

Effect: The Authority is not in compliance with federal regulations regarding procurement of contracts, which could lead to vendors receiving funds that are not properly vetted.

Recommendation: We recommend that the Authority reviews its procurement policy and active contracts and future contracts to ensure that all policies and procedures regarding procurement of contracts are properly followed and documented.

Views of Responsible Officials: There is no disagreement with the audit finding.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

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

2022 – 010 – Allowable Costs – Operating Fund

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

Federal Program Title: Public and Indian Housing

Assistance Listing Number: 14.850

Federal Award Identification Number and Year: LA003, 2022

Award Period: 10/1/21-9/30/22

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

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

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

Questioned Costs: Unknown

Context: During our testing over interprogram accounts, it was noted that the COCC has amounts due to public housing under FDS lines 347 and 144 in the amount of \$3,787,011. This is a result of the Authority using a revolving fund for expenses.

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

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

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

Views of Responsible Officials: There is no disagreement with the audit finding.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER
(UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2022**

EXPENDITURE PURPOSE

Salary	\$	252,434
Benefits-Insurance		15,644
Benefits-Retirement		20,586
Car Allowance		7,200
Per Diem		-
Registration Fees		-
Conference Travel		-
		-
Total Compensation, Benefits, and Other Payments	\$	295,864

Agency Head: Jim Daniels, Chief Executive Officer
Period: October 1, 2021 through September 30, 2022

Basis of Presentation:

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



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2022**

U.S. Department of Housing and Urban Development

The Housing Authority of East Baton Rouge Parish respectfully submits the following corrective action plan for the year ended September 30, 2022.

Audit period: October 1, 2021 – September 30, 2022

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

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2022-001 Financial Reporting

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

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

Action taken in response to finding: EBRPHA's Finance Department was hit hard with three top Finance positions being vacated due to retirement, which left remaining staff and the agency with no HUD experience for Accounting and compliance. A new CFO started mid - June 2023 and will work with team to implement better practices, controls and training.

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

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

MATERIAL WEAKNESS

2022-011 Delay in Issuance of Financial Reporting

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

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

Action taken in response to finding: EBRPHA's Finance Department was hit hard with three top Finance positions being vacated due to retirement, which left remaining staff and the



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2022**

agency with no HUD experience for Accounting and compliance. A new CFO started mid - June 2023 and will work with team to implement better practices, controls and training.

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

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

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2022-002, 2021-001 Special Tests – HQS Enforcement - Housing Voucher Cluster – Assistance Listing No. 14.871

Recommendation: We recommend that management review their controls for conducting follow up inspections on initially failed home inspections and ensure compliance standards are met.

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

Action taken in response to finding: Reviewed policies and procedures with Director of HQS Compliance and inspections staff to ensure compliance.

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

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

2022-003 Special Tests – Top of the Waiting List - Housing Voucher Cluster – Assistance Listing No. 14.871

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

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

Action taken in response to finding: The Housing Authority has hired a dedicated Hearing Officer so that hearings and reviews are held in a timely manner.

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

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

2022-004 Eligibility - Housing Voucher Cluster – Assistance Listing No. 14.871



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2022**

Recommendation: We recommend that management review their controls over recertifications and ensure compliance standards for eligibility of tenants are met.

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

Action taken in response to finding: During annual recertification, staff double-check files to ensure that all required documents are in the file. If any forms are missing staff contact the family to rectify. Files are also audited at random during Quality Control review to ensure compliance.

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

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

2022-005 Reporting – PIC - Housing Voucher Cluster – Assistance Listing No. 14.871

Recommendation: We recommend that the Authority reviews their standard procedures to ensure the proper forms are submitted to the PIC system.

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

Action taken in response to finding: Staff reviews and corrects PIC errors as needed. Some of the issues are related to current software limitations. The Housing Authority is in the process of converting to Yardi Software Solutions which will help ensure timely submission of all action types.

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

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

2022-006 Special Tests – Reasonable Rent Changes - Housing Voucher Cluster – Assistance Listing No. 14.871

Recommendation: We recommend that the Authority reviews its procedures to ensure controls over the reasonable rent process.

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

Action taken in response to finding: We revised our procedures in 2023 so that decision letters are sent to the landlord and tenant timely.

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



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2022**

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

2022-007 Allowable Activities and Costs - Housing Voucher Cluster – Assistance Listing No. 14.871

Recommendation: We recommend the Authority reviews the established internal control procedures over charging expenses to programs and ensure the policies are followed for all expenses charged to the program. Additionally, we recommend that the Authority reviews the payroll procedures to ensure all timesheets are approved prior to payment.

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

Action taken in response to finding: Finance Dept lost 3 key positions. New CFO in place now for two weeks and will implement allocation for all expenses and procedure to oversee that all transactions are recorded properly and have sufficient backup. Will work with HR and Payroll Staff Accountant to implement required authorization before processing.

Name(s) of the contact person(s) responsible for corrective action: Shannon Sterling, CFO

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

2022-008 Allowable Activities and Costs - Public and Indian Housing – Assistance Listing Number 14.850

Recommendation: We recommend the Authority reviews the established internal control procedures over charging expenses to programs and ensure the policies are followed for all expenses charged to the program. Additionally, we recommend that the Authority reviews the payroll procedures to ensure all timesheets are approved prior to payment.

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

Action taken in response to finding: Finance Dept lost 3 key positions. New CFO in place now for two weeks and will implement allocation for all expenses and procedure to oversee that all transactions are recorded properly and have sufficient backup. Will work with HR and Payroll Staff Accountant to implement required authorization before processing.

Name(s) of the contact person(s) responsible for corrective action: Shannon Sterling, CFO

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

2022-009 Procurement and Suspension and Debarment - Public and Indian Housing – Assistance Listing No. 14.850

Recommendation: We recommend that the Authority reviews it's procurement policy and active contracts and future contracts to ensure that all policies and procedures regarding procurement of contracts are properly followed and documented.



**HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2022**

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

Action taken in response to finding: All contracts are being re-evaluated and put back out for bid if necessary. Steps will be taken to confirm on Sam.gov if vendors are valid to do business with the authority.

Name(s) of the contact person(s) responsible for corrective action: Ivra Amacker, VP Affordable Housing

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

2022-010 Public and Indian Housing – Assistance Listing No. 14.850

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

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

Action taken in response to finding: As previously mentioned with turnover and staff in place that had never dealt with reconciling interfunds, will put protocols in place to be done monthly, quarterly and final review before FDS submission.

Name(s) of the contact person(s) responsible for corrective action: Shannon Sterling, CFO

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

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



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2022**

U.S. Department of Housing and Urban Development

The Housing Authority of the East Baton Rouge Parish respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2022.

Audit period: October 1, 2021 – September 30, 2022

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

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2021 – 001 HQS Enforcement

Condition: During our testing we noted the Authority did not monitor staff and internal controls to ensure compliance with inspection requirements.

Status: This finding was not cleared in the current year. See 2022-002 for current year finding.

Reason for finding's recurrence: The Housing Authority was catching up from missed inspections due to COVID and COVID-related waivers the year before. Some of those waivers extended into 2021. Unfortunately, given the volume of inspections and ongoing COVID-related delays, we had one inspection that went one day past the 30-day period.

Corrective Action: Continued staff training and monitoring of compliance deadlines.



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

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

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

BANK RECONCILIATIONS

Bank reconciliations prepared in the fiscal year under audit did not have sign offs from the preparer. Additionally, they were not reviewed by a second individual authorized to review bank reconciliations. Lastly, the bank reconciliation includes reconciling outstanding checks that date back over 1 year.

We recommend the Authority implement controls over bank reconciliations and review / monitor outstanding checks and deposits in transit that are old.

PURCHASE CARDS

Purchase card logs lacked documentation of review and approval over expenses charged on the purchase cards.

We recommend the Authority implement controls over P-cards to ensure that costs are allowable.

CASH DEPOSITS

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

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

JOURNAL ENTRIES

Journal entry documentation is not properly maintained and entries are not properly reviewed and approved prior to posting.

We recommend the Authority implement controls over journal entries to ensure they are approved before posting and are properly supported.

UNDER COLLATERALIZED DEPOSITS

During our audit of cash, we noted that Partners for Progress bank deposits were not fully collateralized at September 30, 2022. Partners for Progress was unsecured by \$751,817. This is disclosed in the footnotes to the financial statements.

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

PORT IN HOUSING ASSISTANCE PAYMENTS

During our test of Port-In revenues and expenses, it was noted the Authority did not properly reconcile Port In expenses with revenues, resulting in greater expenses than revenues that could have been billed for collection if reconciled.

We recommend the Authority to properly track port-in expenses to ensure they are billed and collected timely.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

During our review of accounts, we noted that all allowance trial balance accounts remained unchanged from prior year even though accounts receivable increased.

We recommend the Authority implement a policy over allowance for doubtful accounts. We also recommend the Authority to evaluate its receivables for collectability and record an allowance for amounts deemed unlikely to be collected.

PROPERTY MANAGER FRAUD

It was noted there was misappropriation/theft of Authority funds by a property manager totaling around \$3,800 on 11 occasions. See Appendix A for the Authority's response and more information regarding this incident.

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



CliftonLarsonAllen LLP

Lakeland, Florida
June 27, 2023

APPENDIX A

Louisiana Legislative Auditor's Finding Template for Reporting Fraud and Misappropriations
AGENCY NAME: The Housing Authority of East Baton Rouge Parish (the Authority)
FISCAL YEAR END: September 30, 2022

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	The Authority was alerted to potential misappropriation of funds intended to be remitted to the Authority as security deposits. The Authority was initially alerted by an applicant that complained about her missing security deposit. The Authority reviewed delinquent account reports and confirmed that a former employee instructed applicants to submit "blank" money orders which she later took possession and made out to herself at a later date on at least eleven (11) occasions totaling approximately \$3,800.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Security deposits primarily submitted in the form of blank money orders
3	The amount of funds or approximate value of assets involved.	Approximately \$3,800
4	The department or office in which the fraud or misappropriation occurred.	Affordable Housing Department (also known as "Public Housing")
5	The period of time over which the fraud or misappropriation occurred.	Approximately 7 months
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Eligibility Specialist
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Mikeshia Stewart
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No, terminated on 7/7/2022

9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes. The Authority notified the EBR District Attorney, EBR Parish Sheriffs Department and Baton Rouge Police Department.
11	What is the status of the investigation at the date of the auditor's/accountant's report?	To our knowledge, the matter is still under investigation by Baton Rouge Police Department.
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	N/A
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	Status not known or fully adjudicated
14	Has restitution been made or has an insurance claim been filed?	Pending adjudication' no restitution has been made at the present time. In addition, due the immaterial nature of this matter, an insurance claim was not filed.
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	Yes
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	Yes. The Public Housing Move-In Procedures Policy (dated January 7, 2020) was intentionally subverted by the former employee. The Authority's internal accounting systems and controls confirmed the offense by the former employee.
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	N/A

18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	In addition to the compliance with the established Public Housing Move-In Procedure Policy, the procedure was amended and enhanced on 8/15/2022 to instruct all applicants to be escorted to remit security deposits directly to Finance Dept which eliminates the acceptance and handling of the security deposit by the Eligibility Specialist.
----	---	---

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

BATON ROUGE, LOUISIANA

AGREED UPON PROCEDURES REPORT

YEAR ENDED SEPTEMBER 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2021 through September 30, 2022. The Housing Authority of East Baton Rouge Parish's (the Authority) management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority of East Baton Rouge Parish has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2021 through September 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic funds transfers)

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

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

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

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

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

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results

1. The Authority was able to provide a written policy related to Purchasing. However, we noted the policy is not compliant with all of the State AUP requirements. Specifically, the only items within the State AUP requirements that is outlined within the policy provided is how purchases are initiated and how vendors are added to the vendor list. The remaining 3 requirements are not addressed.
2. The Authority was not able to provide a written policy related to Contracting. Rather, they maintain an addendum to the Purchasing Policy. However, we noted the policy is not complaint with the State AUP requirements. The 5 State requirements were not addressed within the policy received.
3. The Authority was able to provide a written Ethics Policy. We noted the policy met 2 out of the 4 State AUP requirements. Specifically, the policy did not address a system being used to monitor any possible ethics violations, and the requirements of maintaining documents and notifying officials of any changes to the policy in place.
4. Board meetings were held in 8 of the 12 months during the fiscal period being reviewed. Budget-to-Actual monthly comparisons were consistently referenced during the months in which The Authority held Board meetings. Financial Reports were noted regularly throughout the minutes of the monthly Board meetings which were reported.
5. The Authority was able to provide documentation over Bank Statements and corresponding Bank Reconciliations throughout the fiscal period. However, in all 5 reconciliations reviewed, we noted that The Authority did not address the State AUP requirement of Reconciliations having evidence of review/approval from a member of management/board member who does not typically handle cash, post ledgers, or issue checks.
6. When reviewing the listing of P-Cards prepared by management, The Authority did not meet the State AUP requirement of having proper evidence of review/approval by someone other than the authorized card holder in 2 of the 5 p-card transactions reviewed.
7. The Authority was able to provide a written policy related to Sexual Harassment. However, we noted the policy is not compliant was the State AUP requirements. We noted the policy met 1 of the 3 State AUP requirements. Specifically, the policy was missing details on annual employee training and annual reporting. Additionally, the Authority did not file an annual sexual harassment report.

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

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

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

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

CliftonLarsonAllen LLP

Lakeland, Florida
June 27, 2023