

HOUSING AUTHORITY
OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED MARCH 31, 2023

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the enterprise fund and the aggregate discretely presented component units of the Housing Authority of the City of New Iberia, Louisiana as of and for the year ended March 31, 2023, and the related notes to the financial statements which collectively comprise the Authority's financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Enterprise Fund	Qualified
Aggregate Discretely Presented Component Units	Unmodified

Qualified Opinion on the Enterprise Fund

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority's enterprise fund as of March 31, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the Aggregate Discretely Presented Component Units

In our opinion, based on the reports of another auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority's aggregate discretely presented component units as of December 31, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Bayou Place Development I, LP and Bayou Place Development II, LP, discretely presented components units of the Authority which represent 100% of the assets and deferred outflows of resources, net position and revenues of the aggregate discretely presented component units. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditor.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Discrete Component Units were not audited in accordance with *Government Auditing Standards*. 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 qualified and unmodified audit opinion.

Matter Giving Rise to Qualified Opinion on the Enterprise Fund

Two of the Authority's three dwelling projects reported in the enterprise fund exhibit evidence that significant impairments may exist to the projects' carrying values. We were unable to obtain sufficient appropriate audit evidence about the carrying values of the Authority's capital assets with respect to the potential impairments and the related depreciation expense charged. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

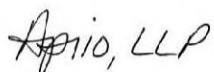
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 8 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented for the Office of the Louisiana Legislative Auditor's information and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards; Financial Data Schedule; and Schedule of Compensation, Benefits and Other Payments to the Executive Director are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Birmingham, Alabama
September 25, 2023

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

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of New Iberia (the Authority), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 25, 2023. Our report includes a qualified opinion on the financial statements of the enterprise fund due to potential impairments to the carrying values of capital assets. Additionally, our report includes a reference to another auditor who audited the financial statements of Bayou Place Development I, LP and Bayou Place Development II, LP (discretely presented components unit of the Authority), as described in our report on the Authority's financial statements. The financial statements of the Discrete Component Units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Discrete Component Units or that are reported on separately by that auditor who audited the financial statements of the Discrete Component Units.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Aprio, LLP

Birmingham, Alabama
September 25, 2023

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

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Program

We have audited the Housing Authority of the City of New Iberia's (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 the Authority's major federal program for the year ended March 31, 2023. The Authority's major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended March 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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* (CFR) 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 the major federal programs. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

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 generally accepted auditing standards, *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 the major federal programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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.

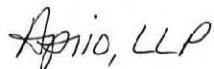
Report on Internal Control Over Compliance

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. However, *material weaknesses* or *significant deficiencies* in internal control over compliance may exist that were not identified.

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.

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.



Birmingham, Alabama
September 25, 2023

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

FOR THE YEAR ENDED MARCH 31, 2023

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements. 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 Discretely Presented Component Units. The audited financial statements of the Discretely Presented Component Units have been included in the financial statements of the Authority.

Financial Highlights

- The Authority's net position increased \$.1 million during fiscal year 2023 and was \$2.1 million and \$2.2 million as of fiscal year-ends 2022 and 2023, respectively.
- Revenues remained relatively stable during fiscal year 2023 compared to fiscal year 2022, at \$1.3 million.
- Expenses decreased \$.1 million during fiscal year 2023 and were \$1.3 million and \$1.2 million for fiscal years 2022 and 2023, respectively.

USING THIS ANNUAL REPORT

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

MD&A

*~ MANAGEMENT DISCUSSION
AND ANALYSIS ~*

BASIC FINANCIAL STATEMENTS

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

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

Authority-Wide Financial Statements

Statement of Net Position

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

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

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

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

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

Statement of Revenues, Expenses, and Changes in Net Position

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

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

Statement of Cash Flows

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

THE AUTHORITY'S 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 offer housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Other Reporting Sector – In addition to the significant programs above, the Authority also maintains the following reporting sector:

- Business Activities

AUTHORITY-WIDE STATEMENTS

Condensed Statement of Net Position

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

TABLE 1
CONDENSED STATEMENT OF NET POSITION

	2023	2022	Variance
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 1,078,687	\$ 724,534	\$ 354,153
Capital Assets	1,561,581	1,768,666	(207,085)
Other Non-Current Assets	-	-	-
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 2,640,268	\$ 2,493,200	\$ 147,068
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 272,176	\$ 262,950	\$ 9,226
Non-Current Liabilities	122,584	119,773	2,811
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	\$ 394,760	\$ 382,723	\$ 12,037
Net Position:			
Net Investment in Capital Assets	\$ 1,561,581	\$ 1,768,666	\$ (207,085)
Restricted Net Position	399,408	249,794	149,614
Unrestricted Net Position	284,519	92,017	192,502
Total Net Position	\$ 2,245,508	\$ 2,110,477	\$ 135,031

Major Factors Affecting the Condensed Statement of Net Position

During 2023, current and restricted assets increased due to increases of unrestricted cash and cash restricted for repairs and renovations. Capital assets decreased due to depreciation exceeding capital expenditures on renovations and improvements. For additional detail see 'Capital Assets' in Tables 4 and 5.

Restricted net position increased due to insurance proceeds recognitions and the resulting increase of assets restricted for repairs and renovations.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, April 1, 2022	\$ 92,017
Results of Operations	110,176
Capital Asset Purchases from Operations	(1,088)
Interest Income	105
Insurance Claim Revenues Recognized	(149,614)
Depreciation Expense	<u>232,923</u>
Unrestricted Net Position, March 31, 2023	<u>\$ 284,519</u>

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

TABLE 3
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

	2023	2022	Variance
Revenues:			
Tenant Rental and Other Revenue	\$ 202,670	\$ 193,472	\$ 9,198
Operating Grants	895,523	637,522	258,001
Capital Grants	24,750	148,763	(124,013)
Interest Income	105	104	1
Other Revenue	165,189	279,469	(114,280)
Total Revenues	\$ 1,288,237	\$ 1,259,330	\$ 28,907
Expenses:			
Administrative Expenses	\$ 193,263	\$ 256,787	\$ (63,524)
Utilities	169,773	173,989	(4,216)
Maintenance	239,094	250,070	(10,976)
Protective Services	2,014	1,636	378
General Expense	316,139	286,751	29,388
Depreciation	232,923	291,082	(58,159)
Total Expenses	\$ 1,153,206	\$ 1,260,315	\$ (107,109)
Excess (Deficiency) of Revenues Over Expenses	\$ 135,031	\$ (985)	\$ 136,016

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

Operating grants increased due to increases of subsidies recognized through the Public Housing and Capital Fund Programs. Capital grants decreased due to a reduction of modernization and improvement activity on the Authority's Public Housing dwelling properties. Other revenue decreased due to a reduction of insurance claim revenue recognitions.

Administrative expenses decreased due to reductions of auditing, office and other miscellaneous costs incurred. General expenses increased due to an increase of insurance costs. Depreciation decreased due to assets reaching their estimated useful lives during fiscal years 2022 and 2023.

CAPITAL ASSETS

As of year-end, the Authority had \$1.6 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$.2 million from the end of fiscal year 2022.

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

	2023	2022	Variance	% Change
Land	\$ 222,593	\$ 222,593	\$ -	0%
Buildings and Improvements	14,296,601	14,296,601	-	0%
Furniture and Equipment	325,241	326,426	(1,185)	0%
Construction in Process	25,838	-	25,838	-
Accumulated Depreciation	<u>(13,308,692)</u>	<u>(13,076,954)</u>	<u>(231,738)</u>	<u>2%</u>
Net Capital Assets	<u>\$ 1,561,581</u>	<u>\$ 1,768,666</u>	<u>\$ (207,085)</u>	<u>-12%</u>

TABLE 5
CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, April 1, 2022	\$ 1,768,666
Additions:	
Construction in Process	25,838
Depreciation Expense	<u>(232,923)</u>
Ending Balance, March 31, 2023	<u>\$ 1,561,581</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is the Executive Director. Specific requests may be submitted to the Housing Authority of the City of New Iberia at 325 North Street, New Iberia, Louisiana 70560.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF NET POSITION
MARCH 31, 2023

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	<u>Enterprise Fund</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 482,284	\$ 200,344	\$ 682,628
Accounts Receivable, Net	74,787	6,447	81,234
Investments	89,655	-	89,655
Prepaid Costs	32,553	16,369	48,922
Total Current Assets	679,279	223,160	902,439
<u>Restricted Assets</u>			
Cash and Cash Equivalents	399,408	363,969	763,377
Total Restricted Assets	399,408	363,969	763,377
<u>Capital Assets</u>			
Land	222,593	328,535	551,128
Buildings and Improvements	14,296,601	7,490,957	21,787,558
Furniture and Equipment	325,241	210,571	535,812
Construction in Process	25,838	-	25,838
	14,870,273	8,030,063	22,900,336
(Less): Accumulated Depreciation	(13,308,692)	(3,107,482)	(16,416,174)
Net Capital Assets	1,561,581	4,922,581	6,484,162
Total Assets	2,640,268	5,559,477	8,199,745
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 2,640,268	\$ 5,559,477	\$ 8,199,745

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF NET POSITION
MARCH 31, 2023

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION**

	<u>Enterprise Fund</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
<u>Current Liabilities</u>			
Accounts Payable	\$ 229,467	\$ -	\$ 229,467
Accrued Compensated Absences	7,289	-	7,289
Accrued Interest Payable	-	3,039	3,039
Tenant Security Deposits	13,997	3,222	17,219
Unearned Revenue	21,423	8,296	29,719
Current Portion of Capital Debt	-	19,424	19,424
Total Current Liabilities	272,176	33,981	306,157
<u>Long Term Liabilities</u>			
Long Term Capital Debt	-	1,314,744	1,314,744
Accounts Payable, Non-current	110,414	-	110,414
Accrued Compensated Absences	12,170	-	12,170
Other Non-current Liabilities	-	282,379	282,379
Total Long Term Liabilities	122,584	1,597,123	1,719,707
Total Liabilities	394,760	1,631,104	2,025,864
Deferred Inflows of Resources			
Total Liabilities and Deferred Inflows of Resources	-	-	-
Net Position			
Net Investment in Capital Assets	1,561,581	3,588,413	5,149,994
Restricted Net Position	399,408	363,969	763,377
Unrestricted Net Position	284,519	(24,009)	260,510
Total Net Position	2,245,508	3,928,373	6,173,881
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,640,268	\$ 5,559,477	\$ 8,199,745

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Enterprise Fund</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
<u>Operating Revenues</u>			
Tenant Rent Revenue	\$ 202,670	\$ 360,147	\$ 562,817
Operating Grants	895,523	-	895,523
Other Revenue	165,189	-	165,189
Total Operating Revenues	1,263,382	360,147	1,623,529
<u>Operating Expenses</u>			
Administrative	193,263	89,260	282,523
Utilities	169,773	7,240	177,013
Maintenance	239,094	259,755	498,849
Protective Services	2,014	-	2,014
General Expenses	316,139	96,333	412,472
Depreciation	232,923	207,507	440,430
Total Operating Expenses	1,153,206	660,095	1,813,301
Operating Income (Loss)	110,176	(299,948)	(189,772)
<u>Non-Operating Revenue (Expense)</u>			
Interest Income	105	1,218	1,323
Interest Expense	-	(45,288)	(45,288)
Total Non-Operating Revenue (Exp)	105	(44,070)	(43,965)
Increase (decrease) before Capital Contributions	110,281	(344,018)	(233,737)
Capital Contributions	24,750	-	24,750
Increase (Decrease) in Net Position	135,031	(344,018)	(208,987)
Net Position, Beginning	2,110,477	4,272,391	6,382,868
Net Position, Ending	\$ 2,245,508	\$ 3,928,373	\$ 6,173,881

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Enterprise Fund</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
<u>Cash flows from operating activities:</u>			
Cash Received from Dwelling Rent	\$ 172,544	\$ 361,744	\$ 534,288
Cash Received from Operating Grants	883,859	-	883,859
Cash Received from Other Sources	311,812	-	311,812
Cash Payments for Salaries and Benefits	(218,042)	(65,094)	(283,136)
Cash Payments to Vendors and Landlords	(670,211)	(353,898)	(1,024,109)
Net cash provided (used) by operating activities	479,962	(57,248)	422,714
<u>Cash flows from capital and related financing activities:</u>			
Capital Grants Received	24,750	-	24,750
Capital Outlay	(25,838)	-	(25,838)
Principal and Interest Paid on Capital Debt	-	(61,413)	(61,413)
Net cash provided (used) by capital and related financing activities	(1,088)	(61,413)	(62,501)
<u>Cash flows from investing activities:</u>			
Interest Earned from Cash and Investments	208	1,218	1,426
Reinvestment in Certificate of Deposit	(205)	-	(205)
Net cash provided (used) by investing activities	3	1,218	1,221
Net Increase in Cash and Restricted Cash	478,877	(117,443)	361,434
Total Cash and Restricted Cash.			
Beginning of Year	402,815	681,756	1,084,571
Total Cash and Restricted Cash,			
End of Year	\$ 881,692	\$ 564,313	\$ 1,446,005
Reconciliation of cash and restricted cash presented on the Statement of Net Position, to ending cash and restricted cash presented above on the Statement of Cash Flows:			
Cash	\$ 482,284	\$ 200,344	\$ 682,628
Restricted Cash	399,408	363,969	763,377
Cash and Restricted Cash, End of Year	\$ 881,692	\$ 564,313	\$ 1,446,005

Continued on next page

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED MARCH 31, 2023**

	<u>Enterprise Fund</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating Income (Loss) \$ 110,176 \$ (299,948) \$ (189,772)			
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and Amortization	232,923	213,239	446,162
Bad Debt Expense (Tenants)	17,752	6,022	23,774
Bad Debt Expense (Grants)	21,338	-	21,338
Change in Accounts Receivable (Tenants)	(30,194)	(2,923)	(33,117)
Change in Accounts Receivable (Grants)	(11,664)	-	(11,664)
Change in Accounts Receivable (Other)	152,510	-	152,510
Change in Prepaid Costs	(24,916)	(2,622)	(27,538)
Change in Accounts Payable - Operating	10,899	26,800	37,699
Change in Accrued Personnel Expenses	3,750	-	3,750
Change in Unearned Revenue (Tenants)	68	4,520	4,588
Change in Security Deposits Held	(2,680)	(2,336)	(5,016)
Net cash provided (used) by operating activities	<u>\$ 479,962</u>	<u>\$ (57,248)</u>	<u>\$ 422,714</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF
NEW IBERIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Cash and Investments

The Housing 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 Authority's investments consisted of certificates of deposit.

Accounts Receivable

Accounts receivables are carried at the amount considered by management to be collectible and consisted of tenant, grant and other miscellaneous receivables.

Prepaid Items

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

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

Buildings and Improvements	15 - 33 years
Furniture and equipment	3 - 7 years

PILOT Agreement

The Authority has entered into a Payment-in-Lieu of Taxes (PILOT) Agreement with the City of New Iberia, whereby the Authority agrees to pay a negotiated sum in lieu of local real property taxes. During fiscal year 2023 the Authority incurred \$3,207 of PILOT expense.

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 March 31, 2023, the Authority's unearned revenue balance consisted of tenant rent prepayments of \$85 and unexpended grant receipts of \$21,338.

Deferred Outflows and Inflows of Resources

A Deferred Outflow of Resources is a consumption of assets by the Authority that is applicable to a future reporting period. Conversely, a Deferred Inflow of Resources is an acquisition of assets by the Authority that is applicable to a future reporting period. As of March 31, 2023, the Authority did not have any Deferred Outflows or Inflows of Resources.

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue. These financial statements do not contain material inter-program revenues and expenses for internal activity. The policy is to eliminate any material inter-program revenues and expenses for these financial statements.

Cost Allocation

The Authority allocates indirect costs to programs on the basis of one of the following methods: direct salaries and wages, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed, or the allotment stipulated in contractual agreements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

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

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 set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards*, Statement No. 14 (amended), of the Governmental Accounting Standards Board: *The Financial Reporting Entity*, Statement No. 39: *Determining Whether Certain Organizations are Component Units*, and Statement No. 61: *The Financial Reporting Entity: Omnibus*. 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:

HANI Non-profit Housing, Inc. (the Corporation). a blended component unit, is a not-for-profit corporation organized for the purpose of assisting the Authority in facilitating affordable housing within the New Iberia community. The Board of Directors of the Corporation consists of the Board of Commissioners of the Authority and the Authority manages the operations of the Corporation. The Corporation's fiscal year-end is March 31. The Corporation's financial balances as of and for the fiscal year ended March 31, 2023, which consisted of current assets and net position of \$302, have been incorporated into the Authority's financial statements and reported in the 'Business Activities' column of the supplemental Financial Data Schedule included with this Report. The Corporation does not issue separate stand-alone financial statements.

Bayou Place Development I, LP (BPDI, LP), a discrete component unit, was organized as a limited partnership to develop, construct, own, maintain and operate a 25-unit housing complex for rental to low-moderate income families known as Bayou Place. The Authority, through the Corporation, is the managing general partner of BPDI, LP. Because BPDI, LP is fiscally dependent on the Authority, and the existence of a financial burden relationship with the Authority, BPDI, LP's financial balances and activity as of and for the year ended December 31, 2022 are presented discretely with financial statements of the Authority. BPDI, LP's financial statements as of and for the year ended December 31, 2022 can be obtained by contacting the Authority at 325 North Street, New Iberia, Louisiana 70560.

Bayou Place Development II, LP (BPDII, LP), a discrete component unit, was organized as a limited partnership to develop, construct, own, maintain and operate a 25-unit housing complex for rental to low-moderate income families known as Bayou Place II. The Authority, through the Corporation, is the managing general partner of BPDII, LP. Because BPDII, LP is fiscally dependent on the Authority, and the existence of a financial burden relationship with the Authority, BPDII, LP's financial balances and activity as of and for the year ended December 31, 2022 are presented discretely with financial statements of the Authority. BPDII, LP's financial statements as of and for the year ended December 31, 2022 can be obtained by contacting the Authority at 325 North Street, New Iberia, Louisiana 70560.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C - CASH AND INVESTMENT DEPOSITS

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

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

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

The Housing Authority's cash and cash equivalents consisted of funds held in interest bearing checking accounts with reconciled balances totaling \$881,342. The remaining \$350 was held in the form of petty cash or a change fund. Investments consisted of certificates of deposit totaling \$89,655. Cash and investment deposit balances with financial institutions totaled \$971,140, and were secured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$341,912 and collateralized with securities pledged to the Authority in the amount of \$629,228.

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.

Unrestricted and restricted cash balances of the Partnerships totaled \$564,313 and were secured by the FDIC as of December 31, 2022.

NOTE D – RESTRICTED CASH

The Authority's restricted cash balance of \$399,408 consisted of insurance proceeds restricted for repairs and renovations.

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

Operating reserves	\$ 124,209
Replacement reserves	188,951
Cash held for real estate taxes and insurance	50,809
Total Restricted Cash	\$ 363,969

NOTE E – SIGNIFICANT ESTIMATES

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE F – CONCENTRATION OF RISK

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

NOTE G – RISK MANAGEMENT

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

The Authority recognized insurance claim revenue of \$137,114 for water damage incurred from Hurricane Barry in July of 2019. Payment of the claim was approved and finalized in April of 2022. Additionally, the Authority recognized an additional \$12,500 of insurance claim revenue for unrelated property damage.

NOTE H – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of March 31, 2023:

	<u>Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Tenant Rent Receivables	\$ 36,073	\$ (13,000)	\$ 23,073
Grants due from HUD	36,565	-	36,565
Grants due from the State	21,338	(21,338)	-
Fiscal Year 2014 Legal Settlement			
Receivable due from the City	15,149	-	15,149
Total Receivables, Net of Allowances	\$ 109,125	\$ (34,338)	\$ 74,787

The Authority settled a lawsuit with the City of New Iberia during fiscal year 2014. The settlement receivable is reduced each fiscal year by the amount of the PILOT that is incurred and payable to the City.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – CAPITAL ASSETS

The Authority's capital asset balances and activity as of and for the fiscal year ended March 31, 2023 are summarized as follows:

	<u>April 1, 2022</u>		<u>Transfers & Deletions</u>	<u>March 31, 2023</u>
	<u>Balance</u>	<u>Additions</u>		<u>Balance</u>
Land	\$ 222,593	\$ -	\$ -	\$ 222,593
Construction in Process	-	25,838	-	25,838
Total Assets not being depreciated	222,593	25,838	-	248,431
Buildings and Improvements	14,296,601	-	-	14,296,601
Furniture and Equipment	326,426	-	(1,185)	325,241
Total Capital Assets	14,845,620	25,838	(1,185)	14,870,273
Less Accumulated Depreciation				
Buildings and Improvements	(12,750,528)	(232,923)	-	(12,983,451)
Furniture and Equipment	(326,426)	-	1,185	(325,241)
Net Book Value	\$ 1,768,666	\$ (207,085)	\$ -	\$ 1,561,581

The Authority's dwelling properties consist of A.B. Simon Homes with 76 units, Acadian Homes with 94 units and Markham Homes with 30 units. Physical Inspection Reports were completed in April of 2021 for each of the three projects. The Reports for A.B Simon Homes and Acadian Homes concluded that the remaining useful lives of the properties have expired; citing obsolete (plumbing and utility) systems, deferred maintenance, roofing deterioration and hazardous mold. The Reports also concluded that A.B. Simon Homes and Acadian Homes qualify for demolition application under HUD's criteria. Conclusions reached in the Physical Inspection Reports, an upward trend in vacancies and declining rental revenues indicate potential impairments to the carrying values of the majority of the Authority's dwelling units.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – CAPITAL ASSETS - Continued

The Partnerships' capital asset balances as of December 31, 2022 are summarized as follows:

	<u>BPD I, LP</u>	<u>BPD II, LP</u>	<u>TOTAL</u>
Land	\$ 63,858	\$ 264,677	\$ 328,535
Buildings and Improvements	3,332,048	4,158,909	7,490,957
Furniture and Equipment	95,106	115,465	210,571
Less: Accumulated Depreciation	<u>(1,380,057)</u>	<u>(1,727,425)</u>	<u>(3,107,482)</u>
Total Capital Assets	\$ 2,110,955	\$ 2,811,626	\$ 4,922,581

The Partnerships' capital asset activity for the year ended December 31, 2022 is summarized as follows:

	<u>January 1, 2022</u>	<u>December 31, 2022</u>		
	<u>Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u>
Land	<u>\$ 328,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,535</u>
Total Assets not being Depreciated	328,535	-	-	328,535
Buildings and Improvements	7,490,957	-	-	7,490,957
Furniture and Equipment	<u>210,571</u>	<u>-</u>	<u>-</u>	<u>210,571</u>
Total Capital Assets	8,030,063	-	-	8,030,063
Less Accumulated Depreciation	<u>(2,899,975)</u>	<u>(207,507)</u>	<u>-</u>	<u>(3,107,482)</u>
Net Book Value	<u>\$ 5,130,088</u>	<u>\$ (207,507)</u>	<u>\$ -</u>	<u>\$ 4,922,581</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE J – FEES RECEIVABLE FROM THE PARTNERSHIPS

A summary of the Authority's fees receivable from the Partnerships as of March 31, 2023 is as follows:

Due from Bayou Place Development I, LP		
Developer Fee Receivable	\$ 322,673	
Management Fee Receivable	114,478	
Allowance for Doubtful Accounts	(437,151)	-
Due from Bayou Place Development II, LP		
Developer Fee Receivable	415,881	
Management Fee Receivable	109,353	
Allowance for Doubtful Accounts	(525,234)	-
Fees Receivable, Net of Allowances	\$ -	

Due to uncertainties regarding the collectability of the fees receivable from the Partnerships, management has recorded an allowance against each of the receivables. See Note L (below) for additional detail regarding the fees receivable.

NOTE K – DEFINED CONTRIBUTION RETIREMENT PLAN

The Authority provides retirement benefits for all of its eligible employees through participation in the Housing Renewal and Local Agency Retirement Plan (the Plan), a defined contribution retirement plan. The Plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. All of the Authority's full-time employees are eligible to participate in the Plan from the first anniversary date of employment. Each participant in the Plan is required to make monthly contributions equal to 5.5% of their effective compensation. The employer is required to make monthly contributions equal to 7.5% of each participant's effective compensation. The Authority's contributions and investment income allocated to each participant's individual account become fully vested after five years of continuous service. The Authority's contributions and investment income allocated to each participant's account are forfeited by employees who leave employment prior to five years of continuous service and are used to off-set future required contributions of the Authority.

During fiscal year 2023, employees contributed \$4,390 and the Authority made the required contributions in the amount of \$5,986. There were no significant unpaid retirement liabilities outstanding as of March 31, 2023.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – LONG TERM LIABILITIES

Employees earn vacation and sick time annually, in accordance with Louisiana Civil Service regulations. Employees may accumulate and carry-over up to three hundred hours of annual leave. The Authority's leave liability accrual is divided and reported between current and non-current liabilities in the Statement of Net Position and is summarized as of March 31, 2023 as follows:

	<u>April 1,</u>			<u>March 31,</u>		<u>Due Within</u>
	<u>2022 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>2023 Balance</u>	<u>One Year</u>	
Compensated Absences	\$ 15,709	\$ 4,185	\$ 435	\$ 19,459	\$ 7,289	
Non-current Vendor Payables	110,414	-	-	110,414		
Less: Current portion	<u>(6,350)</u>			<u>(7,289)</u>		
Long Term Liability	<u>\$ 119,773</u>			<u>\$ 122,584</u>		

Mortgage Payable (BPDI, LP)

In January of 2010, BPDI, LP obtained a non-recourse mortgage loan from Pacific Life Insurance in the amount of \$422,297 to finance the Bayou Place housing complex. The loan is collateralized by the applicable dwelling property and bears interest at 6.91%. The loan requires monthly principal and interest payments of \$2,784 with a balloon payment due upon maturity in February of 2028. Interest expense incurred on the loan during 2022 was \$23,563 and the outstanding principal balance as of December 31, 2022 was \$335,340. Future projected debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Principal Balance Due</u>
2023	\$ 10,567	\$ 22,841	\$ 324,773
2024	11,320	22,088	313,453
2025	12,128	21,280	301,325
2026	12,993	20,415	288,332
2027	13,920	19,488	274,412
2028	<u>274,412</u>	<u>3,154</u>	<u>-</u>
	<u>\$ 335,340</u>	<u>\$ 109,266</u>	<u>\$ -</u>

The principal balance of the loan reported in the Statement of Net Position is reduced by debt issuance costs, net of accumulated amortization, of \$10,393 as of December 31, 2022. Amortization expense incurred during 2022 on the applicable debt issuance costs of \$995 was added to interest expense reported in the Statement of Revenues, Expenses and Changes in Net Position.

Developer Fee (BPDI, LP)

In exchange for construction oversight services provided by the Authority during the development of Bayou Place, the Partnership entered into a Development Services Agreement with the Authority in the amount of \$410,000. No developer fees were paid to the Authority during 2022. The outstanding developer fee payable to the Authority from BPDI, LP as of December 31, 2022 was \$322,673.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – LONG TERM LIABILITIES - Continued

Partnership Management Fee (BPDI, LP)

During 2022, the Partnership incurred management fees payable to the Authority (through the Corporation) of \$9,839. Outstanding management fees payable to the Authority (through the Corporation) were \$114,478 as of December 31, 2022.

Mortgage Payable (BPDII, LP)

In January of 2010, BPDII, LP obtained a non-recourse mortgage loan from Pacific Life Insurance in the amount of \$353,943 to finance the Bayou Place II housing complex. The loan is collateralized by the applicable dwelling property and bears interest at 6.91%. The loan requires monthly principal and interest payments of \$2,333 with a balloon payment due upon maturity in February of 2028. Interest expense incurred on the loan during 2022 was \$19,734 and the outstanding principal balance as of December 31, 2022 was \$281,059. Future projected debt service requirements are as follows:

	Principal	Interest	Principal Balance Due
2023	\$ 8,857	\$ 19,139	\$ 272,202
2024	9,483	18,513	262,719
2025	10,160	17,836	252,559
2026	10,884	17,112	241,675
2027	11,661	16,335	230,014
2028	230,014	2,648	-
	\$ 281,059	\$ 91,583	\$ -

The principal balance of the loan reported in the Statement of Net Position is reduced by debt issuance costs, net of accumulated amortization, of \$10,392 as of December 31, 2022. Amortization expense incurred during 2022 on the applicable debt issuance costs of \$996 was added to interest expense reported in the Statement of Revenues, Expenses and Changes in Net Position.

Developer Fee (BPDII, LP)

In exchange for construction oversight services provided by the Authority during the development of Bayou Place II, the Partnership entered into a Development Services Agreement with the Authority in the amount of \$600,000. No developer fees were paid to the Authority during 2022. The outstanding developer fee payable to the Authority from BPDI, LP as of December 31, 2022 was \$415,881.

Partnership Management Fee (BPDII, LP)

During 2022, the Partnership incurred management fees payable to the Authority (through the Corporation) of \$9,399. Outstanding management fees payable to the Authority (through the Corporation) were \$109,353 as of December 31, 2022.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – LONG TERM LIABILITIES - Continued

A summary of the Partnerships' liabilities detailed above and other long-term liabilities as of December 31, 2022 is as follows:

	<u>January 1, 2022 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2022 Balance</u>	<u>Due Within One Year</u>
Permanent Mortgages Payable	\$ 611,756	\$ -	\$ 16,142	\$ 595,614	\$ 19,424
Developer Fees Payable to the Authority	738,554	-	-	738,554	-
Partnership Management Fee Payable to the Authority	204,593	19,238	-	223,831	-
Asset Management Fee Payable	50,986	7,562	-	58,548	-
Less: Current portion	(18,131)	———	———	(19,424)	———
Long Term Liabilities	\$ 1,587,758	———	———	\$ 1,597,123	\$ 19,424

NOTE M - CONTRACTUAL COMMITMENTS

The Authority's outstanding contractual commitments as of March 31, 2023, were as follows:

<u>Type of Commitment:</u>	
Repairs and Maintenance	\$ 100
Professional Services	33,250
Managerial and Administrative	389
Total Outstanding Contractual Commitments	\$ 33,739

NOTE N – COMMITMENTS AND CONTINGENCIES

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE O – DIFFERENT REPORTING STANDARDS

The financial statements of Bayou Place Development I, LP and Bayou Place Development II, LP (Discrete Component Units) were not prepared in accordance with *Generally Accepted Governmental Accounting Standards* (GAGAS). However, in these financial statements items have been presented in the same categories as the Housing Authority's Enterprise Fund.

If the financial statements of the Discrete Component Units were prepared in accordance with GAGAS, they would have adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement amends or supersedes the accounting and financial reporting guidance for certain items previously reported as assets or liabilities, including debt issuance costs. Under GASBS No. 65, debt issuance costs are to be reported as an expense as incurred, rather than capitalized and amortized over the life of the applicable debt.

If the financial statements of the Discrete Component Units were prepared in accordance with GAGAS, including the adoption of GASBS No. 65, the Discrete Component Units' liabilities would have been \$20,785 more than (and net position less than) what is currently being reported in these financial statements. Additionally, the expenses reported in the Statement of Revenues, Expenses and Changes in Net Position would have excluded \$1,991 of amortization which has been added to interest expense in these financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE P – DISCRETE COMPONENT UNITS – CONDENSED FINANCIAL STATEMENTS

Condensed Statement of Net Position

	BPD I, LP 12/31/2022	BPD II, LP 12/31/2022	Elimination	Total DCU's 12/31/2022
Assets				
Current and restricted assets	\$ 272,562	\$ 314,567	\$ -	\$ 587,129
Capital assets	2,110,955	2,811,626	-	4,922,581
Other assets due from BPD I, LP	-	13,513	(13,513)	-
Other assets	25,327	24,440	-	49,767
Total assets	2,408,844	3,164,146	(13,513)	5,559,477
Liabilities				
Current liabilities	16,906	17,075	-	33,981
Non-current liabilities	343,654	291,084	-	634,738
Non-current liabilities due to BPD II, LP	13,513	-	(13,513)	-
Non-current liabilities due to the Authority	437,151	525,234	-	962,385
Total liabilities	811,224	833,393	(13,513)	1,631,104
Net position				
Net investment in capital assets	1,463,335	2,125,078	-	3,588,413
Restricted net position	186,900	177,069	-	363,969
Unrestricted net position	(52,615)	28,606	-	(24,009)
Total net position	\$ 1,597,620	\$ 2,330,753	\$ -	\$ 3,928,373

Condensed Statement of Revenues, Expenses and Changes in Net Position

	BPD I, LP 12/31/2022	BPD II, LP 12/31/2022	Total DCU's 12/31/2022
Revenues			
Operating revenue	\$ 185,158	\$ 174,989	\$ 360,147
Interest income	437	781	1,218
Total revenues	185,595	175,770	361,365
Expenses			
Operating expenses	300,114	340,743	640,857
Operating Expenses to the Authority	9,839	9,399	19,238
Interest Expense	24,558	20,730	45,288
Total expenses	334,511	370,872	705,383
Decrease of net position	(148,916)	(195,102)	(344,018)
Beginning net position	1,746,536	2,525,855	4,272,391
Ending net position	\$ 1,597,620	\$ 2,330,753	\$ 3,928,373

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE P – DISCRETE COMPONENT UNITS – CONDENSED FINANCIAL STATEMENTS - Continued

Condensed Statement of Cash Flows

	BPD I, LP	BPD II, LP	Total DCU's
	12/31/2022	12/31/2022	12/31/2022
From all operating activities	\$ (14,688)	\$ (42,560)	\$ (57,248)
Used by all capital activities	(33,410)	(28,003)	(61,413)
From all investing activities	437	781	1,218
Net increase in cash and equivalents	(47,661)	(69,782)	(117,443)
Beginning current and restricted cash	308,305	373,451	681,756
Ending current and restricted cash	\$ 260,644	\$ 303,669	\$ 564,313

NOTE Q – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through September 25, 2023, the date the financial statements were available to be issued.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED MARCH 31, 2023

EXPENDITURES

Public Housing Program

Total Assistance Listing No. 14.850a	\$ 711,823
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Capital Fund Program

Total Assistance Listing No. 14.872	208,450
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TOTAL HUD EXPENDITURES	920,273
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TOTAL FEDERAL EXPENDITURES	\$ 920,273
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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 March 31, 2023. 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 COST RATE

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

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Balance Sheet Summary

Fiscal Year:

End: 03/31/2023

	Project Total	1 Business Activities	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
111 Cash - Unrestricted	\$ 467,985	\$ 302	\$ 468,287	\$ 197,122	\$ 665,409
112 Cash - Restricted - Modernization and Development	-	-	-	-	-
113 Cash - Other Restricted	399,408	-	399,408	363,969	763,377
114 Cash - Tenant Security Deposits	13,997	-	13,997	3,222	17,219
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100 Total Cash	\$ 881,390	\$ 302	\$ 881,692	\$ 564,313	\$ 1,446,005
121 Accounts Receivable - PHA Projects	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	36,565	-	36,565	-	36,565
124 Accounts Receivable - Other Government	21,338	-	21,338	-	21,338
125 Accounts Receivable - Miscellaneous	15,149	-	15,149	-	15,149
126 Accounts Receivable - Tenants	36,073	-	36,073	6,447	42,520
126.1 Allowance for Doubtful Accounts - Tenants	(13,000)	-	(13,000)	-	(13,000)
126.2 Allowance for Doubtful Accounts - Other	(21,338)	-	(21,338)	-	(21,338)
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 74,787	\$ -	\$ 74,787	\$ 6,447	\$ 81,234
131 Investments - Unrestricted	89,655	-	89,655	-	89,655
132 Investments - Restricted	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-
142 Prepaid Expenses and Other Assets	32,553	-	32,553	16,369	48,922
143 Inventories	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-
150 Total Current Assets	\$ 1,078,385	\$ 302	\$ 1,078,687	\$ 587,129	\$ 1,665,816

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Balance Sheet Summary

Fiscal Year:

End: 03/31/2023

	Project Total	1 Business Activities	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
161 Land	222,593	-	222,593	328,535	551,128
162 Buildings	10,995,667	-	10,995,667	6,681,602	17,677,269
163 Furniture, Equipment & Machinery - Dwellings	136,338	-	136,338	210,571	346,909
164 Furniture, Equipment & Machinery - Administration	188,903	-	188,903	-	188,903
165 Leasehold Improvements	3,300,934	-	3,300,934	809,355	4,110,289
166 Accumulated Depreciation	(13,308,692)	-	(13,308,692)	(3,107,482)	(16,416,174)
167 Construction in Progress	25,838	-	25,838	-	25,838
168 Infrastructure	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 1,561,581	\$ -	\$ 1,561,581	\$ 4,922,581	\$ 6,484,162
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-
174 Other Assets	-	-	-	49,767	49,767
176 Investments in Joint Ventures	-	-	-	-	-
180 Total Non-Current Assets	\$ 1,561,581	\$ -	\$ 1,561,581	\$ 4,972,348	\$ 6,533,929
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 2,639,966	\$ 302	\$ 2,640,268	\$ 5,559,477	\$ 8,199,745
311 Bank Overdraft	-	-	-	-	-
312 Accounts Payable <= 90 Days	8,011	-	8,011	-	8,011
313 Accounts Payable >90 Days Past Due	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-
322 Accrued Compensated Absences - Current Portion	7,289	-	7,289	-	7,289
324 Accrued Contingency Liability	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	3,039	3,039
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 03/31/2023

	Project Total	1 Business Activities	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
333 Accounts Payable - Other Government	16,853	-	16,853	-	16,853
341 Tenant Security Deposits	13,997	-	13,997	3,222	17,219
342 Unearned Revenue	21,423	-	21,423	8,296	29,719
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	19,424	19,424
345 Other Current Liabilities	193,092	-	193,092	-	193,092
346 Accrued Liabilities - Other	11,511	-	11,511	-	11,511
347 Inter Program - Due To	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-
310 Total Current Liabilities	\$ 272,176	\$ -	\$ 272,176	\$ 33,981	\$ 306,157
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	1,314,744	1,314,744
353 Non-current Liabilities - Other	110,414	-	110,414	282,379	392,793
354 Accrued Compensated Absences - Non Current	12,170	-	12,170	-	12,170
355 Loan Liability - Non Current	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 122,584	\$ -	\$ 122,584	\$ 1,597,123	\$ 1,719,707
300 Total Liabilities	\$ 394,760	\$ -	\$ 394,760	\$ 1,631,104	\$ 2,025,864
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	1,561,581	-	1,561,581	3,588,413	5,149,994
511.4 Restricted Net Position	399,408	-	399,408	363,969	763,377
512.4 Unrestricted Net Position	284,217	302	284,519	(24,009)	260,510
513 Total Equity - Net Assets / Position	\$ 2,245,206	\$ 302	\$ 2,245,508	\$ 3,928,373	\$ 6,173,881
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 2,639,966	\$ 302	\$ 2,640,268	\$ 5,559,477	\$ 8,199,745

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2023

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
70300 Net Tenant Rental Revenue	\$ 166,343	\$ -	\$ -	\$ 166,343	\$ 356,276	\$ 522,619
70400 Tenant Revenue - Other	36,327	-	-	36,327	3,871	40,198
70500 Total Tenant Revenue	\$ 202,670	\$ -	\$ -	\$ 202,670	\$ 360,147	\$ 562,817
70600 HUD PHA Operating Grants	895,523	-	-	895,523	-	895,523
70610 Capital Grants	24,750	-	-	24,750	-	24,750
70710 Management Fee	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-
70700 Total Fee Revenue	\$ 920,273	\$ -	\$ -	\$ 920,273	\$ -	\$ 920,273
70800 Other Government Grants	-	-	-	-	-	-
71100 Investment Income - Unrestricted	105	-	-	105	1,218	1,323
71200 Mortgage Interest Income	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-
71500 Other Revenue	165,189	-	-	165,189	-	165,189
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-
70000 Total Revenue	\$ 1,288,237	\$ -	\$ -	\$ 1,288,237	\$ 361,365	\$ 1,649,602
91100 Administrative Salaries	96,442	-	-	96,442	31,164	127,606
91200 Auditing Fees	29,400	-	-	29,400	13,500	42,900
91300 Management Fee	-	-	-	-	21,789	21,789
91310 Book-keeping Fee	-	-	-	-	-	-
91400 Advertising and Marketing	405	-	-	405	1,473	1,878
91500 Employee Benefit contributions - Administrative	8,264	-	-	8,264	3,344	11,608

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2023

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
91600 Office Expenses	35,097	-	-	35,097	14,849	49,946
91700 Legal Expense	1,713	-	-	1,713	30	1,743
91800 Travel	1,861	-	-	1,861	-	1,861
91810 Allocated Overhead	-	-	-	-	-	-
91900 Other	20,081	-	-	20,081	3,111	23,192
91000 Total Operating - Administrative	\$ 193,263	\$ -	\$ -	\$ 193,263	\$ 89,260	\$ 282,523
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-
92400 Tenant Services - Other	-	-	-	-	-	-
92500 Total Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93100 Water	37,106	-	-	37,106	619	37,725
93200 Electricity	83,232	-	-	83,232	6,621	89,853
93300 Gas	186	-	-	186	-	186
93400 Fuel	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-
93600 Sewer	49,249	-	-	49,249	-	49,249
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-
93000 Total Utilities	\$ 169,773	\$ -	\$ -	\$ 169,773	\$ 7,240	\$ 177,013
94100 Ordinary Maintenance and Operations - Labor	79,537	-	-	79,537	33,930	113,467
94200 Ordinary Maintenance and Operations - Materials and Other	26,566	-	-	26,566	19,756	46,322
94300 Ordinary Maintenance and Operations Contracts	99,627	-	-	99,627	202,447	302,074
94500 Employee Benefit Contributions - Ordinary Maintenance	33,364	-	-	33,364	3,622	36,986
94000 Total Maintenance	\$ 239,094	\$ -	\$ -	\$ 239,094	\$ 259,755	\$ 498,849

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2023

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
95100 Protective Services - Labor	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	2,014	-	-	2,014	-	2,014
95300 Protective Services - Other	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-
95000 Total Protective Services	\$ 2,014	\$ -	\$ -	\$ 2,014	\$ -	\$ 2,014
96110 Property Insurance	221,551	-	-	221,551	63,033	284,584
96120 Liability Insurance	17,144	-	-	17,144	-	17,144
96130 Workmen's Compensation	7,613	-	-	7,613	768	8,381
96140 All Other Insurance	22,857	-	-	22,857	-	22,857
96100 Total insurance Premiums	\$ 269,165	\$ -	\$ -	\$ 269,165	\$ 63,801	\$ 332,966
96200 Other General Expenses	492	-	-	492	26,510	27,002
96210 Compensated Absences	4,185	-	-	4,185	-	4,185
96300 Payments in Lieu of Taxes	3,207	-	-	3,207	-	3,207
96400 Bad debt - Tenant Rents	17,752	-	-	17,752	6,022	23,774
96500 Bad debt - Mortgages	-	-	-	-	-	-
96600 Bad debt - Other	21,338	-	-	21,338	-	21,338
96000 Total Other General Expenses	\$ 46,974	\$ -	\$ -	\$ 46,974	\$ 32,532	\$ 79,506
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	45,288	45,288
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ 45,288	\$ 45,288
96900 Total Operating Expenses	\$ 920,283	\$ -	\$ -	\$ 920,283	\$ 497,876	\$ 1,418,159
97000 Excess of Operating Revenue over Operating Expenses	\$ 367,954	\$ -	\$ -	\$ 367,954	\$ (136,511)	\$ 231,443
97100 Extraordinary Maintenance	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-	-	-

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2023

	Project Total	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
97350 HAP Portability-In	-	-	-	-	-	-
97400 Depreciation Expense	232,923	-	-	232,923	207,507	440,430
97500 Fraud Losses	-	-	-	-	-	-
90000 Total Expenses	\$ 1,153,206	\$ -	\$ -	\$ 1,153,206	\$ 705,383	\$ 1,858,589
10010 Operating Transfer In	183,700	-	(183,700)	-	-	-
10020 Operating transfer Out	(183,700)	-	183,700	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 135,031	\$ -	\$ -	\$ 135,031	\$ (344,018)	\$ (208,987)
11030 Beginning Equity	\$ 2,110,175	\$ 302	\$ -	\$ 2,110,477	\$ 4,272,391	\$ 6,382,868
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	2,400	-	-	2,400	600	3,000
11210 Number of Unit Months Leased	603	-	-	603	574	1,177
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	24,750	-	-	24,750	-	24,750
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

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

YEAR ENDED MARCH 31, 2023

EXPENDITURE PURPOSE

Salary	\$ 65,544
Car Allowance	<u>2,400</u>
Reimbursements	<u>706</u>
Conference Travel	<u>1,861</u>
Total Compensation, Benefits and Other Payments	\$ 70,511

Basis of Presentation:

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

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARCH 31, 2023

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditor's report issued:

Enterprise Fund

Aggregate Discretely Presented Component Units

Qualified
Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes X No

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

None
X Reported

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

Yes No

FEDERAL AWARDS

Internal control over the Major Programs:

Are material weaknesses identified?

Yes X No

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

None
X Reported

Type of report issued on compliance with requirements applicable to the Major Program:

Unmodified

Are there any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance?

Yes No

Identification of the Major Federal Program:

Assistance Listing No.

Public Housing Program

14.850a

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Is the auditee identified as a Low-Risk Auditee?

Yes No

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2023

Section II: Financial Statement Findings:

Summary Schedule of Prior Year Findings:

None

Current Year Findings and Questioned Costs:

None

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2023

Section III: Federal Award Findings:

Summary Schedule of Prior Year Findings:

Finding 2022-001 – Lack of Controls over Annual Tenant Re-examinations and Assistance Calculations

Public Housing Program – CFDA No. 14.850a; Grant period – fiscal year ended March 31, 2022

Condition

Out of a sample of ten tenant eligibility and rent calculation reexaminations, ten of the reexaminations were not performed timely.

Current Year Status

The Authority has corrected the deficiencies which led to this Finding. This Finding is not restated.

Current Year Findings and Questioned Costs:

None

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of New Iberia
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the period of April 1, 2022 through March 31, 2023. The Housing Authority of the City of New Iberia's (the Authority's) management is responsible for those C/C areas identified in the SAUPs.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUP's for the period of April 1, 2022 through March 31, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

The associated results and conclusions are as follows:

Written Policies and Procedures

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

Board

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

Bank Reconciliations

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

Collections

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

Disbursements

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

Credit Cards

Credit Cards functions do not apply to the Housing Authority.

Travel and Expense Reimbursement

Travel and Expense Reimbursement functions outlined in Addendum A (attached) were addressed and adhered to without exception.

Contracts

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

Payroll and Personnel

Payroll and Personnel functions outlined in Addendum A (attached) were addressed and adhered to without exception.

Ethics

Ethics functions outlined in Addendum A (attached) were addressed and adhered to without exception. There were no changes to the Ethics Policy during 2023.

Debt Service

The Authority did not enter into any debt agreements during fiscal year 2023 or have any debt outstanding as of March 31, 2023.

Fraud Notice

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

Information Technology Disaster Recovery/Business Continuity

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

Sexual Harassment

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

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

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

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

Birmingham, Alabama
September 25, 2023

PROCEDURES

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

1) Written Policies and Procedures

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

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics²**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee³

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

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.⁶

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁷ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post

⁴Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

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

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations¹⁰ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.¹¹
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt¹² at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

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

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

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

¹² As required by Louisiana Revised Statute 39:1212.

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

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

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

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

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

- numbers and the names of the persons who maintained possession of the cards¹³. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)¹⁴. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements¹⁵ (excluding card transactions)

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

¹³ Including cards used by school staff for either school operations or student activity fund operations.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

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

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

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

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

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

10) Ethics¹⁹

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

11) Debt Service²⁰

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

12) Fraud Notice²¹

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at www.lia.la.gov/hotline

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

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

13) Information Technology Disaster Recovery/Business Continuity

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

14) Prevention of Sexual Harassment²²

²² While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual

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

Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.