

THE HOUSING AUTHORITY OF
THE CITY OF ST. MARTINVILLE, LOUISIANA
ST. MARTINVILLE, LOUISIANA

REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED MARCH 31, 2022

THE HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE, LOUISIANA

ST. MARTINVILLE, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Housing Authority of the Town of St. Martinville
St. Martinville, Louisiana

Opinion

We have audited the accompanying financial statements of the Housing Authority of the Town of St. Martinville (the Authority) as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the financial position of the Authority as of March 31, 2022 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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 Housing Authority of the Town of St. Martinville's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Audit 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 the Management's Discussion and Analysis on pages 6 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Statement and Certification of Program Costs, the 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 Statement and Certification of Program Costs; 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 November 30, 2022 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 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 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,

Agrio, LLP

Birmingham, Alabama
November 30, 2022

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

Board of Commissioners
The Housing Authority of the Town of St. Martinville
St. Martinville, 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 Authority, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 30, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 weaknesses may exist that have not been 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and question costs as finding 2022-001.

The Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Agrio, LLP

Birmingham, Alabama
November 30, 2022

The management of Housing Authority of St. Martinville, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending March 31, 2022. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be tenant rentals whereas grants from the Department of Housing and Urban Development (HUD) provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$1,929,752 at the close of the fiscal year ended 2022.
 - ✓ Of this amount \$1,087,907 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ The remainder of \$841,845 of unrestricted net position could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 82% of the total operating expenses of \$1,027,993 for the fiscal year 2022, which means the Authority might be able to operate about 10 months using the unrestricted assets alone, compared to 11 months in the prior fiscal year.
- The Housing Authority's total net position decreased by \$94,069, a 5% decrease from the prior fiscal year 2021.
- The decrease in net position of these funds was accompanied by an increase in unrestricted cash by \$139,215 from fiscal year 2021.
- The Authority Spent \$30,312 on capital asset additions and \$22,018 on construction in progress.
- Current liabilities increased due primarily to the insurance proceeds shown as deferred revenue.
- These changes led to an increase in total assets by \$65,486 and an increase in total liabilities by \$159,555.

The Housing Authority continues to operate without the need for debt borrowing

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's financial finances is, "is the Housing Authority as a whole better off, or worse off as a result of the achievements of fiscal year 2022? The statement of net position and Statement of Revenues, Expenses and Changes in Net Position report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All current year's revenues and expenses are considered regardless of when cash is received or paid.

Fund Financial Statements

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

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

USING THIS ANNUAL REPORT

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

Public Housing Capital Fund Program	\$ 22,018
Low Rent Public Housing	339,971
Cares LR	38,189
Total funding received this current fiscal year	<u>\$ 400,178</u>

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

Reporting the Housing Authority's Most Significant Funds

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

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

FINANCIAL ANALYSIS

The Housing Authority's net position was \$1,929,752 as of March 31, 2022. Of this amount, \$1,087,907 was invested in capital assets and \$841,845 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position.

Housing Authority of St. Martinville, LA
 Management's Discussion and Analysis (MD&A)
 March 31, 2022

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
 As of March 31, 2022**

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets	\$ 1,120,682	\$ 944,748
Capital assets, net of depreciation	1,087,907	1,198,355
Total assets	<u>2,208,589</u>	<u>2,143,103</u>
LIABILITIES		
Current liabilities	259,265	99,526
Non-current liabilities	19,572	19,756
Total liabilities	<u>278,837</u>	<u>119,282</u>
NET POSITION		
Invested in capital assets, net of depreciation	1,087,907	1,311,985
Unrestricted net position	841,845	711,836
Total net position	<u>\$ 1,929,752</u>	<u>\$ 2,023,821</u>

The net position of these funds decreased by \$94,069, or by 5%, from those of fiscal year 2021. In the narrative that follows on page 9, the detail factors causing this change are discussed.

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 515,782	\$ 481,317	\$ 34,465
Operating Grants	378,160	278,898	99,262
Capital Grants	22,018	-	22,018
Investment Income	1,844	2,458	(614)
Gain on sale of Capital Assets	3,100		3,100
Other Revenue	13,020	11,608	1,412
Total Revenues	<u>933,924</u>	<u>774,281</u>	<u>159,643</u>
Expenses:			
Administrative	227,940	177,005	50,935
Tenant Services	6,791	-	6,791
Utilities	128,930	119,239	9,691
Maintenance & Operations	319,034	287,854	31,180
General	182,520	147,681	34,839
Depreciation	162,778	162,386	392
Total Expenses	<u>1,027,993</u>	<u>894,165</u>	<u>133,828</u>
Increase (Decrease) in Net Position	<u>\$ (94,069)</u>	<u>\$ (119,884)</u>	<u>25,815</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total revenues increased \$159,643 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$34,465 from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Included in this total is other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) which increased by \$1,660.
- Federal revenues from HUD for operations increased by \$99,262 from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant.
- Federal Capital Funds from HUD increased by \$22,018 from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2017 through 2021 and submitted a new grant during fiscal year 2022.
- Total other operating revenue increased by \$1,412, investment income decreased by \$614 and gains on sales of assets increased by \$3,100 from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses increased \$133,828, or by 15%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$392 from that of the prior fiscal year.
- Maintenance and repairs increased by \$31,180 from that of the prior fiscal year due to changes in the following: Repair staff wages increased by \$7,212 and related employee benefit contributions increased by \$3,079. Materials used decreased by \$11,848 and contract labor costs increased by \$2,750. Finally, Extraordinary maintenance increased by \$29,987 from the prior fiscal year.
- General Expenses increased by \$34,839 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$2,091. PILOT is calculated as a percentage of rent minus utilities and therefore changed proportionately to the changes in each of these. Insurance premiums increased by \$30,299, other general expenses decreased by \$1,343 and bad debts increased by \$8,681. Lastly, compensated absences decreased by \$4,889.
- Administrative Expenses increased by \$50,935 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries increased by \$28,586 and related employee benefit contributions increased by \$20,119; therefore, total staff salaries and benefit costs increased. Outside professional fees changed as follows: audit fees decreased by \$3,897. In addition, staff travel reimbursements increased by \$1,000, office expenses increased by \$2,992, advertising and marketing increased by \$450 and sundry expenses increased by \$1,685.
- Utilities Expense increased by \$9,691 from that of the prior fiscal year because water cost increased by \$5,071, electricity cost increased by \$80, gas cost increased by \$113, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$4,427.
- Total Tenant Services increased by \$6,791 from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At March 31, 2022, the Housing Authority had a total cost of \$7,306,572 invested in a broad range of assets and construction in progress from projects funded in 2017 through 2022, listed below. This amount, not including depreciation, represents a net increase of \$41,938 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Statement of Capital Assets
 As of March 31, 2022**

	<u>2022</u>	<u>2021</u>
Land	\$ 79,570	\$ 79,570
Construction in progress	22,018	-
Buildings	6,104,072	6,087,912
Leasehold improvements	840,320	840,320
Furniture and equipment	260,592	256,832
Accumulated Depreciation	<u>(6,218,665)</u>	<u>(6,066,279)</u>
Total	<u>\$ 1,087,907</u>	<u>\$ 1,198,355</u>

As of the end of the 2022 fiscal year, the Authority is still in the process of completing HUD grants of \$958,632 obtained during 2017 through 2021 fiscal years. A total remainder of \$823,014 will be received and spent for completing these projects during fiscal year 2023.

Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2023 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Larry Pratt, at Housing Authority of St. Martinville, LA; PO Box 913, St. Martinville, LA 70582.

THE HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE, LOUISIANA
 STATEMENT OF NET POSITION
 MARCH 31, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 477,587
Accounts Receivable - Other	150
Tenant Accounts Receivable	16,938
(Allowance for Doubtful Accounts)	(11,858)
Accrued Interest Receivable	14
Investments	467,836
Prepaid Expenses	13,977
Inventory net of Allowances	4,240
Total Current Assets	<u>968,884</u>
Restricted Cash	
Cash and Cash Equivalents	<u>151,798</u>
Total Restricted Cash	<u>151,798</u>
<u>Capital Assets</u>	
Land	79,570
Buildings and Improvements	6,944,392
Furniture and Equipment	260,592
Construction in Progress	22,018
	<u>7,306,572</u>
(Less): Accumulated Depreciation	<u>(6,218,665)</u>
Net Capital Assets	<u>1,087,907</u>
<u>Deferred Outflows of Resources</u>	
	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,208,589</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE, LOUISIANA
 STATEMENT OF NET POSITION
 MARCH 31, 2022

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 21,942
Accrued Wages and Payroll Taxes	1,169
Accrued Compensated Absences	8,998
Accrued PILOT	37,120
Resident Security Deposits	32,000
Unearned Revenues	158,036
Total Current Liabilities	<u>259,265</u>
<u>Long-Term Liabilities</u>	
Accrued Compensated Absences	<u>19,572</u>
Total Long-Term Liabilities	<u>19,572</u>
Total Liabilities	<u>278,837</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	
Net Investment in Capital Assets	1,087,907
Unrestricted Net Position	<u>841,845</u>
Total Net Position	<u>1,929,752</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,208,589</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2022**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 515,782
Operating Grants	378,160
Other Revenue	13,020
Total Operating Revenues	906,962
<u>Operating Expenses</u>	
Administrative	227,940
Tenant Services	6,791
Utilities	128,930
Maintenance and Operations	319,034
General	182,520
Depreciation	162,778
Total Operating Expenses	1,027,993
Operating Income (Loss)	(121,031)
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	1,844
Loss on Sale of Capital Assets	3,100
Total Non-Operating Revenue/(Expense)	4,944
Increase (Decrease) before Capital Contributions	(116,087)
Capital Contributions	22,018
Increase (Decrease) in Net Position	(94,069)
Net Position, Beginning	2,023,821
Net Position, Ending	\$ 1,929,752

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 492,380
Cash Received from Operating Grants	378,822
Cash Received from Other Sources	165,718
Cash Payments for Salaries and Benefits	(341,070)
Cash Payments to Vendors and Contractors	(491,472)
Net Cash flows provided (used) by operating activities	<u>204,378</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Outlay	(52,330)
Proceeds from Sale of Capital Assets	3,100
Capital Grants Received	135,648
Net cash flows provided (used) by capital and related financing activities	<u>86,418</u>
<u>Cash flows from investing activities:</u>	
Transfer from (to) Investments	(1,650)
Interest received from cash and cash equivalents	1,867
Net cash flows provided (used) by investing activities	<u>217</u>
Net Increase (decrease) in cash and cash equivalents	<u>291,013</u>
<u>Cash and cash equivalents, beginning of year:</u>	<u>338,372</u>
<u>Cash and cash equivalents, end of year:</u>	<u>\$ 629,385</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) in operating activities:</u>	
Operating Income (Loss)	\$ (121,031)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	162,778
Bad Debt	24,588
Change in Accounts Receivable	(24,967)
Change in Prepaid Insurance	3,455
Change in Accounts Payable & Accrued Expenses	4,630
Change in Unearned Revenues	154,025
Change in Tenant Security Deposits	900
Net cash provided by (used in) operating activities	<u>\$ 204,378</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

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.

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 at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements.

FURTHER SIGNIFICANT ACCOUNTING POLICIES ARE:

Cash and Cash Equivalents

The Housing Authority considers cash on hand and cash in checking to be cash equivalents.

Tenant Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible.

Prepaid Items and Inventory

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

Unearned Revenue

The Authority recognizes revenues as earned. Amounts received in advance of the period in which it is earned is recorded as a liability under Unearned Revenue.

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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

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, 2022, the Authority did not have any deferred outflows or inflows of resources.

Capital Assets

Capital assets 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 has been expensed in the statement of revenues and expenses. Estimated useful lives are as follows:

Buildings and Improvements	25 - 40 years
Furniture and Equipment	5 - 10 years

Authority management has assessed the carrying values of capital asset balances as of March 31, 2022, and as of November 30, 2022. No significant capital asset value impairments exist as of the noted dates.

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The applicable jurisdictions appoint 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 has no other component units. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

NOTE C - CASH AND INVESTMENT DEPOSITS

Custodial Credit Risk - The Housing Authority 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 Housing 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 consist of cash held in checking accounts totaling \$629,255. Investments consist of four certificates of deposit totaling \$467,836. The certificates of deposit bear interest at varying rates and have various maturity periods, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. The remaining \$130 is held in the form of petty cash or change fund. Deposits with financial institutions are secured as follows:

NOTES TO FINANCIAL STATEMENTS – CONTINUE

NOTE C - CASH AND INVESTMENT DEPOSITS - CONTINUED

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 717,836	\$ 716,836
Collateralized with specific securities in the Authority name which are held by the financial institution	379,255	381,490
Uncollateralized	-	-
	<u>\$ 1,097,091</u>	<u>\$ 1,098,326</u>

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.

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had outstanding contractual commitments as of the Statement of Net Position Date as follows:

<u>Type Commitment</u>	<u>Amount</u>
Construction Contract	\$284,000

NOTE E – 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, or any claims not reimbursed.

The Authority incurred property damage from Hurricane Delta in October of 2020. There was no significant structural damage incurred or asset impairments resulting from the storm. A claim for clean-up and repairs resulting from Delta has been approved by the insurance carrier in the amount of \$284,000. Insurance proceeds received during the year were \$178,632 of which \$26,834 was expended on repairs and \$151,798 was deferred.

NOTE F – USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows and inflows, revenues and expenses in the financial statements. Accordingly, actual results could differ from those estimates.

NOTE G – 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE H – COMPENSATED ABSENCES

It is the Housing Authority’s policy to permit employees to accumulate a limited amount of earned but unused annual leave. Employees receive annual leave based on years of service. The maximum amount of annual leave that any employee may accrue is 20 days. Upon separation from employment, an employee shall be paid for all accumulated annual leave, as of their final date of employment. Leave accrued but not yet paid as of March 31, 2022, is shown as a liability. The amount estimated to be paid out in the next year is shown as a current liability; the balance is shown as a long-term liability.

NOTE I – 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.

NOTE J – LONG-TERM LIABILITIES

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	27,673	13,724	12,827	28,570	8,998
Total Liabilities	<u>\$ 27,673</u>	<u>\$ 13,724</u>	<u>\$ 12,827</u>	<u>\$ 28,570</u>	<u>\$ 8,998</u>

NOTE K - PENSION PLAN

The Housing Authority participates in the Housing Agency Retirement Trust plan, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies and other similar organizations. Through this plan, the Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of Directors of the Authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investments earnings. The employer is require to make monthly contributions equal to 8% of each participant’s basic (excludes overtime) compensation. Employees area required to contribute 5.5% of their annual covered salary. The Authority made the required contributions of \$17,123 for the year ended March 31, 2022. Employee contributions totaled \$12,209.

NOTE L – PILOT AGREEMENT

The Authority has entered into a Payment In lieu of Taxes Agreement with the City of St. Martinville, Louisiana, whereby the Authority agrees to pay a negotiated sum in lieu of City real property taxes. As of March 31, 2022, \$37,120 remains outstanding.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M – CAPITAL ASSETS

A summary of capital assets is as follows at March 31, 2022:

	<u>LOW RENT</u>	<u>CAPITAL FUND</u>	<u>TOTAL</u>
Land	\$ 79,570	\$ -	\$ 79,570
Building and Improvements	6,944,392	-	6,944,392
Furniture and Equipment	260,592	-	260,592
Construction in Process	-	22,018	22,018
Less Accumulated Depreciation	<u>(6,218,665)</u>	<u>-</u>	<u>(6,218,665)</u>
Total Capital Assets	<u>\$ 1,065,889</u>	<u>\$ 22,018</u>	<u>\$ 1,087,907</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>Ending Balance</u>
Land	\$ 79,570	\$ -	\$ -	\$ 79,570
Construction in Progress	<u>-</u>	<u>22,018</u>	<u>-</u>	<u>22,018</u>
Total Assets not being depreciated	79,570	22,018	-	101,588
Buildings and Improvements	6,928,232	16,160	-	6,944,392
Furniture and Equipment	<u>256,832</u>	<u>14,152</u>	<u>(10,392)</u>	<u>260,592</u>
Total Capital Assets	7,264,634	52,330	(10,392)	7,306,572
Less Accumulated Depreciation:				
Buildings and Improvements	(5,824,674)	(153,877)	-	(5,978,551)
Furniture and Equipment	<u>(241,605)</u>	<u>(8,901)</u>	<u>10,392</u>	<u>(240,114)</u>
Net Book Value	<u>\$ 1,198,355</u>	<u>\$ (110,448)</u>	<u>\$ -</u>	<u>\$ 1,087,907</u>

NOTE N – UNEARNED REVENUE

Unearned revenue consist of \$151,798 of insurance proceed related to Hurricane Delta and \$6,238 in prepaid tenant rents. The cash associated with the insurance proceeds is shown as restricted cash.

NOTE O – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through November 30, 2022 the date the financial statements were issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

THE HOUSING AUTHORITY OF THE CITY OF ST. MARTINVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED MARCH 31, 2022

EXPENDITURES

Low Rent Public Housing	\$ 339,971
	<u>38,189</u>
Total Assistance Listing Number 14.850	<u>\$ 378,160</u>
Public Housing Capital Fund Program	
Total Assistance Listing Number 14.872	<u>22,018</u>
TOTAL HUD EXPENDITURES	<u>400,178</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 400,178</u>

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

THE HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE [LA040]
ST.MARTINVILLE, LA
FINANCIAL DATA SCHEDULE
MARCH 31, 2022

		LOW RENT 14.850	CFP 14.872	CARES ACT FUNDING 14.PHC	TOTAL
	ASSETS				
	CURRENT ASSETS				
	CASH				
111	CASH - UNRESTRICTED	445,587	-	-	445,587
112	CASH - RESTRICTED - MODERNIZATION / DEVELOPMENT	-	-	-	-
113	CASH - OTHER RESTRICTED	151,798	-	-	151,798
114	CASH - TENANT SECURITY DEPOSITS	32,000	-	-	32,000
115	CASH - RESTRICTED FOR PYMT OF CURRENT LIABILITIES	-	-	-	-
100	TOTAL CASH	629,385	-	-	629,385
	ACCOUNTS AND NOTES RECEIVABLE				
121	A/R - PHA PROJECTS	-	-	-	-
122	A/R - HUD OTHER PROJECTS	150	-	-	150
124	A/R - OTHER GOVERNMENT	-	-	-	-
125	A/R - MISCELLANEOUS	-	-	-	-
126	A/R - TENANTS	16,938	-	-	16,938
126.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - TENANTS	(11,858)	-	-	(11,858)
126.2	ALLOWANCE FOR DOUBTFUL ACCOUNTS - OTHER	-	-	-	-
127	NOTES & MORTGAGES RECEIVABLE	-	-	-	-
128	FRAUD RECOVERY	-	-	-	-
128.1	ALLOWANCE FOR DOUBTFUL ACCOUNTS - FRAUD	-	-	-	-
129	ACCRUED INTEREST RECEIVABLE	14	-	-	14
120	TOTAL RECEIVABLES, NET OF ALLOWANCES	5,244	-	-	5,244
	CURRENT INVESTMENTS				
131	INVESTMENTS - UNRESTRICTED	467,836	-	-	467,836
132	INVESTMENTS - RESTRICTED	-	-	-	-
142	PREPAID EXPENSES & OTHER ASSETS	13,977	-	-	13,977
143	INVENTORIES	4,463	-	-	4,463
143.1	ALLOWANCE FOR OBSOLETE INVENTORIES	(223)	-	-	(223)
144	INTERPROGRAM DUE FROM	-	-	-	-
145	ASSETS HELD FOR SALE	-	-	-	-
150	TOTAL CURRENT ASSETS	1,120,682	-	-	1,120,682
	NONCURRENT ASSETS				
	CAPITAL ASSETS				
161	LAND	79,570	-	-	79,570
162	BUILDINGS	6,104,072	-	-	6,104,072
163	FURNITURE & EQUIPMENT - DWELLINGS	126,180	-	-	126,180
164	FURNITURE & EQUIPMENT - ADMINISTRATION	134,412	-	-	134,412
165	LEASEHOLD IMPROVEMENTS	840,320	-	-	840,320
167	CONSTRUCTION IN PROGRESS	22,018	-	-	22,018
166	ACCUMULATED DEPRECIATION	(6,218,665)	-	-	(6,218,665)
160	TOTAL CAPITAL ASSETS, NET OF A/D	1,087,907	-	-	1,087,907
171	NOTES & MORTGAGES RECEIVABLE - NON-CURRENT	-	-	-	-
172	NOTES & MORTGAGES RECEIVABLE - PAST DUE	-	-	-	-
174	OTHER ASSETS	-	-	-	-
176	INVESTMENT IN JOINT VENTURES	-	-	-	-
180	TOTAL NONCURRENT ASSETS	1,087,907	-	-	1,087,907
200	DEFERRED OUTFLOW OF RESOURCES	-	-	-	-
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	2,208,589	-	-	2,208,589
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
311	BANK OVERDRAFT	-	-	-	-
312	A/P < 90 DAYS	12,216	-	-	12,216
313	A/P > 90 DAYS	-	-	-	-
321	ACCRUED WAGE/PAYROLL TAXES PAYABLE	1,169	-	-	1,169
322	ACCRUED COMPENSATED ABSENCES - CURRENT	8,998	-	-	8,998
324	ACCRUED CONTINGENCY LIABILITY	-	-	-	-
325	ACCRUED INTEREST PAYABLE	-	-	-	-
331	A/P - HUD PHA PROGRAMS	-	-	-	-
332	A/P - PHA PROJECTS	-	-	-	-
333	A/P - OTHER GOVERNMENT	37,120	-	-	37,120
341	TENANT SECURITY DEPOSITS	32,000	-	-	32,000
342	UNEARNED REVENUES	158,036	-	-	158,036
343	CURRENT PORTION OF LT DEBT - CAPITAL/MORTGAGE	-	-	-	-
344	CURRENT PORTION OF LT DEBT - OPERATING BORROWINGS	-	-	-	-
345	OTHER CURRENT LIABILITIES	-	-	-	-
346	ACCRUED LIABILITIES - OTHER	9,726	-	-	9,726

THE HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE [LA040]
ST.MARTINVILLE, LA
FINANCIAL DATA SCHEDULE
MARCH 31, 2022

		LOW RENT 14.850	CFP 14.872	CARES ACT FUNDING 14.PHC	TOTAL
347	INTERPROGRAM DUE TO	-	-	-	-
310	TOTAL CURRENT LIABILITIES	259,265	-	-	259,265
	NONCURRENT LIABILITIES				
351	LT DEBT, NET OF CURRENT - CAPITAL/MORTGAGE	-	-	-	-
352	LT DEBT, NET OF CURRENT - OPERATING BORROWINGS	-	-	-	-
354	ACCRUED COMPENSATED ABSENCES - NON-CURRENT	19,572	-	-	19,572
353	NON-CURRENT LIABILITES - OTHER	-	-	-	-
357	ACCRUED PENSION AND OPEB LIABILITIES	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	19,572	-	-	19,572
300	TOTAL LIABILITIES	278,837	-	-	278,837
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-
508.4	NET INVESTMENT IN CAPITAL ASSETS	1,087,907	-	-	1,087,907
511.4	RESTRICTED NET POSITION	-	-	-	-
512.4	UNRESTRICTED NET POSITION	841,845	-	-	841,845
513	TOTAL EQUITY / NET POSITION	1,929,752	-	-	1,929,752
600	TOTAL LIAB., DEF. INFL OF RES. & NET POSITION	2,208,589	-	-	2,208,589
	REVENUE	-	-	-	-
70300	NET TENANT RENTAL REVENUE	434,927	-	-	434,927
70400	TENANT REVENUE - OTHER	80,855	-	-	80,855
70500	TOTAL TENANT REVENUE	515,782	-	-	515,782
70600	HUD PHA GRANTS	339,971	-	38,189	378,160
70610	CAPITAL GRANTS RECEIVED	-	22,018	-	22,018
70800	OTHER GOVT GRANTS	-	-	-	-
71000	SEC 8 INCOME	-	-	-	-
71100	INVESTMENT INCOME - UNRESTRICTED	1,844	-	-	1,844
71200	MORTGAGE INTEREST INCOME	-	-	-	-
71400	FRAUD RECOVERY	-	-	-	-
71500	OTHER REVENUE	13,020	-	-	13,020
71600	GAIN OR LOSS ON THE SALE OF FIXED ASSETS	3,100	-	-	3,100
72000	INVESTMENT INCOME - RESTRICTED	-	-	-	-
70000	TOTAL REVENUE	873,717	22,018	38,189	933,924
	EXPENSES				
	ADMINISTRATIVE				
91100	ADMINISTRATIVE SALARIES	130,111	-	-	130,111
91200	AUDITING FEES	7,313	-	-	7,313
91300	BOOKKEEPING	-	-	-	-
91400	ADVERTISING AND MARKETING	510	-	-	510
91500	EMPLOYEE BENEFIT CONTRIBUTION	55,032	-	-	55,032
91600	OFFICE EXPENSE	16,003	-	-	16,003
91700	LEGAL EXPENSE	-	-	-	-
91800	TRAVEL	1,375	-	-	1,375
91900	OTHER OPERATING ADMINISTRATIVE	17,596	-	-	17,596
92000	ASSET MANAGEMENT FEE	-	-	-	-
	TENANT SERVICES				
92100	TENANT SERVICES SALARIES	-	-	-	-
92200	RELOCATION COSTS	-	-	-	-
92300	EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	-
92400	TENANT SERVICES OTHER	-	-	6,791	6,791
	UTILITIES				
93100	WATER	21,795	-	-	21,795
93200	ELECTRICITY	87,359	-	-	87,359
93300	GAS	611	-	-	611
93400	FUEL	-	-	-	-
93600	SEWER	19,165	-	-	19,165
93700	EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-
93800	OTHER UTILITIES	-	-	-	-
	ORDINARY MAINTENANCE & OPERATION				
94100	ORDINARY MAINT AND OP LABOR	104,256	-	-	104,256
94200	ORDINARY MAINTENANCE AND OP MATERIALS	64,985	-	-	64,985
94300	ORDINARY MAINTENANCE AND OP CONTRACT	83,415	-	-	83,415
94500	EMPLOYEE BENEFIT CONTRIBUTION	34,980	-	-	34,980
	PROTECTIVE SERVICES				
95100	PROTECTIVE SERVICES - LABOR	-	-	-	-
95200	PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	-
95300	PROTECTIVE SERVICES - OTHER	-	-	-	-
95500	EMPLOYEE BENEFIT CONTRIBUTION PS	-	-	-	-
	GENERAL EXPENSES				

THE HOUSING AUTHORITY OF THE TOWN OF ST. MARTINVILLE [LA040]
ST.MARTINVILLE, LA
FINANCIAL DATA SCHEDULE
MARCH 31, 2022

		LOW RENT 14.850	CFP 14.872	CARES ACT FUNDING 14.PHC	TOTAL
96110	PROPERTY INSURANCE	70,584	-	-	70,584
96120	LIABILITY INSURANCE	9,945	-	-	9,945
96130	WORKMEN'S COMPENSATION ABSENCES	13,724	-	-	13,724
96140	ALL OTHER INSURANCE	7,801	-	-	7,801
96200	OTHER GENERAL EXPENSE	-	-	-	-
96210	COMPENSATED ABSENCES	18,757	-	-	18,757
96300	PAYMENTS IN LIEU OF TAXES	37,121	-	-	37,121
96400	BAD DEBT - TENANT	24,588	-	-	24,588
96500	BAD DEBT - MORTGAGES	-	-	-	-
96600	BAD DEBT - OTHER	-	-	-	-
96700	INTEREST EXPENSE	-	-	-	-
96730	AMORTIZATION EXPENSE	-	-	-	-
96800	SEVERANCE EXPENSE	-	-	-	-
96900	TOTAL OPERATING EXPENSES	827,026	-	6,791	833,817
97000	EXCESS OPERATING REVENUE OVER OF EXP	46,691	22,018	31,398	100,107
97100	EXTRAORDINARY MAINTENANCE	-	-	31,398	31,398
97200	CASUALTY LOSSES - NON CAPITALIZED	-	-	-	-
97300	HAP	-	-	-	-
97400	DEPRECIATION EXPENSE	162,778	-	-	162,778
97500	FRAUD LOSSES	-	-	-	-
97600	CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-
97700	DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-
97800	DWELLING UNITS RENT EXPENSE	-	-	-	-
90000	TOTAL EXPENSES	989,804	-	38,189	1,027,993
10010	OPERATING TRANSFERS IN	-	-	-	-
10020	OPERATING TRANSFERS OUT	-	-	-	-
10030	OPERATING TRANSFER TO/FROM PRIMARY GOVERNMENT	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
10000	EXCESS REVENUE OVER EXPENSES	(116,087)	22,018	-	(94,069)
11020	REQUIRED ANNUAL DEBT PRINCIPAL PAYMENTS	-	-	-	-
11030	BEGINNING EQUITY	2,023,821	-	-	2,023,821
11040	EQUITY TRANSFERS/PRIOR PERIOD ADJUSTMENTS	22,018	(22,018)	-	-
11040	EQUITY TRANSFERS/PRIOR PERIOD ADJUSTMENTS	-	-	-	-
	ENDING EQUITY	1,929,752	-	-	1,929,752
		-	-	-	-
11190	UNIT MONTHS AVAILABLE	1,488	-	-	1,488
11210	# UNIT MONTHS LEASED	1,429	-	-	1,429
11610	LAND PURCHASES	-	-	-	-
11620	BUILDING PURCHASES	-	22,018	-	22,018
11630	FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	-	-	-
11640	FURNITURE & EQUIPMENT - ADMINISTRATIVE PURCHASES	-	-	-	-
11650	LEASEHOLD IMPROVEMENTS PURCHASES	-	-	-	-
11660	INFRASTRUCTURE PURCHASES	-	-	-	-
13510	CFPP DEBT SERVICE PAYMENTS	-	-	-	-
13901	REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-

THE HOUSING AUTHORITY OF THE CITY OF
ST. MARTINVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARCH 31, 2022

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of Auditors' report issued:	Unmodified	
Internal Control over financial reporting: Are material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are significant deficiencies that are not considered to be material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Is noncompliance that could have a material effect on the financial statements identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Section II: Financial Statement Findings:

Prior Year Findings and Questioned Costs

Finding 2021-001 – State of Louisiana Audit Deadline Not Met (Other Matter)

Condition:

The Authority did not submit its completed audit to the State of Louisiana Legislative Auditor's Office within six months of its year-end.

Current Year Status:

This finding is restated as current year finding 2022-001

Current Year Findings

Finding 2022-001 – State of Louisiana Audit Deadline Not Met (Other Matter)

Criteria:

The State of Louisiana Legislative Auditor's Office requires local government agencies to submit their completed audits within six months from the agencies' applicable fiscal year-ends.

Condition:

The Authority did not submit its completed audit to the State of Louisiana Legislative Auditor's Office within six months of its year-end.

THE HOUSING AUTHORITY OF THE CITY OF
ST. MARTINVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARCH 31, 2022

Current Year Findings – Continued

Finding 2022-001 – Continued – State of Louisiana Audit Deadline Not Met (Other Matter)

Cause:

The Authority did not complete its audit within six months of its year-end in order to submit it to the State of Louisiana Legislative Auditor's Office within six months of its year-end.

Recommendation

We recommend that the Authority complete and submit its audit to the State of Louisiana Legislative Auditor's Office within six months of the Authority's year-end.

Reply

The Authority will complete and submit its audit to the State of Louisiana Legislative Auditor's Office within six months of its year-end. Larry Pratt, Executive Director, has assumed the responsibility of assuring completion and submission of the Authority's audit to the State of Louisiana Legislative Auditor's office within six months of the Authority's year-end, and expects this finding to be resolved by September 30, 2023.

THE HOUSING AUTHORITY OF THE CITY OF
ST. MARTINVILLE, LOUISIANA

CORRECTIVE ACTION PLAN

MARCH 31, 2022

Finding 2022-001 – State of Louisiana Audit Deadline not Met (Other Matter)

The Authority will complete and submit its audit to the State of Louisiana Legislative Auditor's Office within six months of its year-end. Larry Pratt, Executive Director, has assumed responsibility of assuring completion and submission of the Authority's audit to the State of Louisiana Legislative Auditor's Office within six months of the Authority's year-end, and expects this instance of noncompliance to be resolved by September 30, 2023

THE HOUSING AUTHORITY OF THE CITY OF
ST. MARTINVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD

MARCH 31, 2022

Purpose	Amount
Salary	50,217
Benefits - Insurance	12,475
Benefits - Retirement	4,017
FICA	3,909

NOTE 1 – BASIS OF PRESENTATION

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of The Housing Authority of the Town of St. Martinville and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed Upon Procedures (SAUPs), for the fiscal period April 1, 2021 through March 31, 2022. 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, 2021 through March 31, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

The associated results and conclusions are as follows:

Written Policies and Procedures

The following exceptions were noted during a review of the Authority's policies and procedures: A) The Purchasing Policy did not address a vendor list. B) An IT Disaster Recovery/Business Continuity Policy was not provided upon request. All other Written Policies and Procedures business functions outlined in Addendum A (attached) were addressed without exception.

Board

The applicable Board or Finance Committee function outlined in Addendum A (attached) was addressed without exception.

Bank Reconciliations

All Bank Reconciliation functions outlined in Addendum A (attached) were addressed without exception.

Collections

All Collections functions outlined in Addendum A (attached) were addressed without exception.

Disbursements

All applicable Disbursements functions outlined in Addendum A (attached) were addressed without exception.

Credit Cards

All Credit Cards functions outlined in Addendum A (attached) were addressed without exception.

Travel and Expense Reimbursement

There were no Travel and Expense Reimbursements expenditures incurred during 2022. Therefore, procedures were not performed on the applicable functions outlined in Addendum A (attached).

Contracts

All Contracts functions outlined in Addendum A (attached) were addressed without exception.

Payroll and Personnel

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

Ethics

All Ethics functions outlined in Addendum A (attached) were addressed without exception.

Debt Service

All applicable Debt Service functions outlined in Addendum A (attached) were addressed without exception.

Fraud Notice

All applicable Fraud Notice functions outlined in Addendum A (attached) were addressed 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

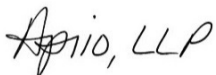
The Authority did not submit a sexual harassment report during, or applicable to 2022. The remaining Sexual Harassment functions outlined in Addendum A (attached) were addressed without exception.

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

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

We are required to be independent of the 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
November 30, 2022

ADDENDUM – A

Procedures

Report all exceptions 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*).

Written Policies and Procedures

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

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.

- h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee³

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

² The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics 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.

⁴ Proprietary and special revenue funds are defined under GASB standards. 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 and special revenue operations that are not required to be budgeted under the Local Government Budget Ac

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁶ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic funds transfers)⁷

4. Obtain a listing of deposit sites⁸ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations⁹ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies

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

⁶ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁷ The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

⁸ A deposit site is a physical location where a deposit is prepared and reconciled.

⁹ 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.

and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

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

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons

who maintained possession of the cards¹⁰. Obtain management's representation that the listing is complete.

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

Travel and Travel-Related Expense Reimbursements¹² (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

¹⁰ Including cards used by school staff for either school operations or student activity fund operations.

¹¹ For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

¹² Non-travel reimbursements are not required to be tested under this category.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹³ (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. Obtain a listing of employees and officials¹⁴ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

¹³ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

¹⁴ "Officials" would include those elected, as well as board members who are appointed.

- a) Observe all selected employees or officials¹⁵ documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*Ethics*¹⁶

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

¹⁵ "Officials" would include those elected, as well as board members who are appointed.

¹⁶ The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.

*Debt Service*¹⁷

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

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises¹⁸ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁹

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel

¹⁷ This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

¹⁸ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹⁹ This notice is available for download or print at www.la.gov/hotline.

responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*Sexual Harassment*²⁰

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

²⁰ A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds.

ADDENDUM B

HOUSING AUTHORITY OF THE TOWN OF
ST. MARTINVILLE, LOUISIANA
LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED-UPON PROCEDURES
CORRECTIVE ACTION PLAN
MARCH 31, 2022

Written Policies and Procedures

The Authority will: A) Address a vendor list in its Purchasing Policy, B) Document an IT Disaster Recovery/Business Continuity Policy.

Sexual Harassment

The Authority will submit a sexual harassment report during, or applicable to future reporting periods.