HOUSING AUTHORITY OF THE TOWN OF NEW ROADS

FINANCIAL STATEMENTS
&
SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2025

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (the "MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Housing Authority of the Town of New Roads' (the "Authority") financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent years' challenges), and (d) identify issues or concerns. This will now be presented at the front of each year's financial statements. Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Net position at June 30, 2025 decreased to $1,069,198. Since the Authority engages only in business-type activities, the decrease for the Authority is all in the category of business-type net position. Net position was $1,419,243 for 2024.
- The total operating revenues of all programs for June 30, 2025 decreased to $319,058. Total operating revenues were $664,809 for 2024.
- The total operating expenses of all programs for June 30, 2025 increased to $678,245. Total operating expenses were $660,143 for 2024.
- The total nonoperating activity for June 30, 2025 increased to $9,142. Total nonoperating activity was $2,421 for 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged only in business-type activities. While the Authority's financial statements includes False River Partners, LP (Riverdale), which is considered a discretely presented component unit of the Authority, the following overview focuses on the primary government (the Authority and its Blended Component Unit, Building Our Community, Inc.) and does not address all of the effects the discretely presented component unit has on the primary government's operations.

This MD&A is intended to serve as an introduction to the Authority's basic financial statements.

The following financial statements are included in this report:

- Statement of Net Position – reports current financial resources (short-term expendable resources) with capital assets and long-term obligations.
- Statement of Revenues, Expenses, and Changes in Fund Net Position – reports operating and nonoperating revenue, by major source, along with operating and nonoperating expenses and capital contributions.
- Statement of Cash Flows – reports cash flows from operating, investing, capital, and non-capital activities.

PROGRAMS

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 Authority to provide the housing at a rent that is based upon 30% of household income (as defined in the HUD regulations).

Capital Fund Grants – The Authority's capital funds are received from the federal government through a formula driven computation. These funds are used to upgrade our facilities at various developments to give our residents the decent and safe living environment they need. Each year's grant funds must be entirely obligated within two years of inception of the grant, and entirely expended within four years.

Discretely Presented Component Units – Discretely presented component unit consists of False River Partners, LP (Riverdale). The Partnership was organized in 2016 as a limited partnership to develop, construct, own, maintain and operate a 48-unit rental housing project. The project is located in the city of New Roads, LA and is currently known as Riverdale. The major activities of the partnership are governed by the partnership agreement. See the notes to the financial statements for additional information regarding this LP.

Blended Component Units – Blended component units consist of Building Our Community, Inc. (BOC), which was created to provide safe, decent, and sanitary housing and other programs for low income and moderate income individuals within the City of New Roads. The Members of the Board of Commissioners of the Housing Authority serve as the Board of Directors of the Corporation. As of June 30, 2025, there was no financial activity for this entity. Blended component units also consist of BOC New Roads, LLC, was created for the sole purpose of acting as the Co-General Partner of False River Partners, LP (Riverdale), a discretely presented component unit of the Authority, in which it owns a 0.0051% interest. BOC has 100% ownership of BOC New Roads, LLC. This entity has no activity in fiscal year 2025.

FINANCIAL ANALYSIS

The following tables focus on the net position and the change in net position of the Authority as a whole. Only the primary government is presented and the discretely presented component unit is excluded.

TABLE 1 – STATEMENT OF NET POSITION

	2025	2024	Variance	% Change
Current Assets	$ 106,183	$ 416,135	$ (309,952)	-74.48%
Capital Assets, Net	1,000,312	1,032,838	(32,526)	-3.15%
Total Assets	1,106,495	1,448,973	(342,478)	-23.64%
Current Liabilities	24,902	23,528	1,374	5.84%
Noncurrent Liabilities	12,395	6,202	6,193	99.85%
Total Liabilities	37,297	29,730	7,567	25.45%
Net Position				
Net Investment in Capital Assets	1,000,312	1,032,838	(32,526)	-3.15%
Unrestricted	68,886	386,405	(317,519)	-82.17%
Total Net Position	$ 1,069,198	$ 1,419,243	$ (350,045)	-24.66%

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets decreased by $309,952 primarily due to decreases in cash from operations and investments.

Capital assets, net decreased by $32,526 due to normal depreciation exceeding capital asset additions.

Current liabilities increased by $1,374 due to increases in in the current portion of accrued compensated absences, accounts payable to HUD, tenant security deposit liability, and deferred revenues. This was partially offset by decreases in accounts payable to vendors, accrued wages / payroll taxes payable, and other accrued liabilities.

Noncurrent liabilities increased by $6,193 due to an increase in the noncurrent portion of accrued compensated absences.

TABLE 2 – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

The following schedule compares the revenue and expenses for the current and previous fiscal years for the primary government. The Authority is engaged in business-type activities. The discretely presented component unit is excluded.

	2025	2024	Variance	% Change
Operating Revenues				
Rental Income	$ 152,268	$ 156,161	$ (3,893)	-2.49%
Federal Grants	144,552	481,935	(337,383)	-70.01%
Other	22,238	26,713	(4,475)	-16.75%
Total Operating Revenues	319,058	664,809	(345,751)	-52.01%
Operating Expenses				
Administration	202,882	187,349	15,533	8.29%
Tenant Services	29	9,195	(9,166)	-99.68%
Utilities	7,365	9,768	(2,403)	-24.60%
Maintenance	242,833	224,443	18,390	8.19%
General	103,938	99,991	3,947	3.95%
Depreciation	121,198	129,397	(8,199)	-6.34%
Total Operating Expenses	678,245	660,143	18,102	2.74%
Operating Income (loss)	(359,187)	4,666	(363,853)	-7797.96%
Nonoperating revenues (expenses)				
Interest Revenue	500	2,421	(1,921)	-79.35%
Capital Contributions	8,642	-	8,642	100.00%
Total Nonoperating Activity	9,142	2,421	6,721	277.61%
Change in Net Position	(350,045)	7,087	(357,132)	-5039.25%
Beginning Net Position	1,419,243	1,412,156	7,087	0.50%
Ending Net Position	$ 1,069,198	$ 1,419,243	$ (350,045)	-24.66%

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

The decrease in net position of $350,045 was due to total expenses exceeding total revenues.

The Authority had an operating loss of $359,187 including non-cash depreciation expense of $121,198 versus operating income of $4,666 and depreciation expense of $129,397 in the prior year.

Total operating revenues decreased by $345,751 to $319,058 primarily due to a decrease in operating grant funding received from HUD.

Total operating expenses increased by $18,102 to $678,245 due to increases in administration, maintenance, and general expenses. This was partially offset by decreases in tenant services, utilities, and depreciation expenses.

Total nonoperating activity increased by $6,721 to $9,142 due to an increase in the Authority's capital contributions. This increase was partially offset by a decrease in interest revenue.

CAPITAL ASSETS

As of June 30, 2025, investment in capital assets for the Authority was $1,000,312, net of accumulated depreciation. Investment in capital assets includes land, buildings, equipment, and improvements.

Major capital asset additions during the year are as follows:

- Unit and property improvements
- K750 115-volt drum machine

There were no major capital asset disposals during the year.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor, supply and demand, which can affect salary and wage rates.
- Local inflation, recession 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

This financial report is designed to provide a general overview of the finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Ms. Paula Rush
Current Executive Director as of September 4, 2025
Housing Authority of the Town of New Roads
151 Cherry Street
New Roads, LA 70760-2411
(225) 638-8940

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the Town of New Roads

Report on the Audit of the Financial Statements

Opinions
We have audited the financial statements of the Housing Authority of the Town of New Roads (the "Authority") and the aggregate discretely presented component unit, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority and the aggregate discretely presented component unit, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of False River Partners, LP (Riverdale), which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for these limited partnerships is based solely on the report of the other auditor.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of False River Partners, LP (Riverdale) 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 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

Henderson & Pilleteri, LLC | 200 Chase Park South | Suite 220 | Birmingham, AL 35244
Phone 205.982.0992 | Fax 205.982.0997 | hendersoncpa.com

- 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 1-4 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplemental data, including the financial data schedule and the schedule of compensation, benefits and other payments to the Executive Director, is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. 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 financial data schedule, and the 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 March 19, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Henderson & Pilleteri, LLC

Birmingham, AL
March 19, 2026

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*

<u>Independent Auditor's Report</u>

To the Board of Commissioners
Housing Authority of the Town of New Roads

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 basic financial statements of the Housing Authority of the Town of New Roads (the "Authority") and the aggregate discretely presented component unit, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 19, 2026.

Our report includes a reference to other auditors who audited the financial statements of False River Partners, LP (Riverdale) as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of False River Partners, LP (Riverdale) were not audited in accordance with *Government Auditing Standards*.

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) to determine the 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-001, 2025-002, and 2025-003 to be material weaknesses.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, and 2025-003.

Authority's Response to Findings
The Authority's response to the findings identified in our audit are 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 it.

Henderson & Pilleteri, LLC | 200 Chase Park South | Suite 220 | Birmingham, AL 35244
Phone 205.982.0992 | Fax 205.982.0997 | hendersoncpa.com

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

Henderson & Pilleteri, LLC

Birmingham, AL
March 19, 2026

Housing Authority of the Town of New Roads
Statement of Net Position
June 30, 2025

	Primary Government	Discrete Component Units
ASSETS		
Current assets:		
Unrestricted cash and cash equivalents	$ 28,378	$ 71,105
Restricted cash and cash equivalents	9,390	262,616
Miscellaneous receivable, net	-	-
Tenants receivable, net	3,524	444
Prepaid expenses and other assets	51,648	6,398
Inventories, net	13,243	-
Total current assets	106,183	340,563
Noncurrent assets:		
Capital assets:		
Land and construction in progress	92,379	378,937
Building and equipment, net of depreciation	907,933	6,308,353
Total capital assets	1,000,312	6,687,290
Other noncurrent assets	-	89,675
Total noncurrent assets	1,000,312	6,776,965
Total assets	1,106,495	7,117,528
LIABILITIES		
Current liabilities:		
Accounts payable	2,447	5,847
Accrued liabilities	-	14,340
Intergovernmental payables	2,050	-
Tenant security deposits	9,390	17,450
Unearned revenue	1,720	70
Other current liabilities	-	17,162
Notes payable, current portion	-	28,197
Compensated absences, current portion	9,295	-
Total current liabilities	24,902	83,066
Noncurrent liabilities:		
Notes payable, net of current portion	-	1,329,658
Compensated absences, net of current portion	12,395	-
Total noncurrent liabilities	12,395	1,329,658
Total liabilities	37,297	1,412,724
NET POSITION		
Net investment in capital assets	1,000,312	5,329,435
Restricted	-	245,166
Unrestricted	68,886	130,203
Total net position	$ 1,069,198	$ 5,704,804

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025

	Primary Government	Discrete Component Unit
OPERATING REVENUES		
Rental income	$ 152,268	$ 439,310
Federal and other governmental grants	144,552	-
Other	22,238	-
Total operating revenues	319,058	439,310
OPERATING EXPENSES		
Administration	202,882	112,648
Tenant services	29	-
Utilities	7,365	4,061
Maintenance	242,833	107,114
General	103,938	111,159
Depreciation and amortization	121,198	249,980
Total operating expenses	678,245	584,962
Operating income (loss)	(359,187)	(145,652)
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	500	-
Interest expense	-	(105,043)
Income (loss) before contributions	(358,687)	(250,695)
Capital contributions	8,642	-
Change in net position	(350,045)	(250,695)
Total net position - beginning of the year	1,419,243	5,955,499
Total net position - end of the year	$ 1,069,198	$ 5,704,804

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

		Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from tenants	$	146,928
Federal and other governmental grants		152,227
Other receipts		22,238
Payments to suppliers		(324,192)
Payments to or on behalf of employees		(236,452)
Net cash provided (used) by operating activities		(239,251)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets		(88,672)
Capital contributions		8,642
Net cash provided (used) by capital financing activities		(80,030)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue		3,312
Proceeds from sale of investments		70,978
Net cash provided (used) by investing activities		74,290
Net increase (decrease) in cash and cash equivalents		(244,991)
Balances - beginning of the year		282,759
Balances - end of the year	$	37,768
RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$	(359,187)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		121,198
Change in assets, deferred outflows of resources and liabilities:		
Receivables, net		6,978
Inventories, net		(10,704)
Prepaids and other assets		(3,053)
Accounts payable		(3,340)
Unearned revenue		127
Accrued liabilities		(1,801)
Compensated absences		8,116
Tenant security deposits		2,415
Net cash provided (used) by operating activities	$	(239,251)

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority of the Town of New Roads (the "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 has previously implemented GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.* Certain significant changes in the statements are as follows: The financial statements will include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

The Authority is a special-purpose government engaged only in business-type activities and therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of –
    - ➢ Statement of Net Position
    - ➢ Statement of Revenues, Expenses, and Changes in Fund Net Position
    - ➢ Statement of Cash Flows
- Notes to financial statements
- Required supplemental information other than MD&A

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. Significant Authority policies are described below.

A. The Reporting Entity
The Authority was established as a tax-exempt quasi-governmental entity under the United States Housing Act of 1937 for the purpose of providing affordable housing to low- and moderate-income families in Pointe Coupee Parish, Louisiana. The governing body of the Authority is composed of a 4-member appointed Board of Commissioners (the "Board"). The applicable jurisdictions appoint the Board, who in turn hires the Chief Executive Officer. The Authority is governed by its charter and by-laws, state and local laws and federal regulations. The Board is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Authority's management.

For financial reporting purposes, the financial reporting entity consists of (1) the primary government (the "Authority"), (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. The Authority is financially accountable if it appoints a voting majority of an organization's governing body and (a) it is able to impose its will on the organization or, (b) there is potential for that organization to provide specific financial benefits to, or impose specific financial burdens on the Authority. The Authority may be financially accountable if an organization is fiscally dependent on the Authority. Based on these criteria, the following entity has been identified as a component unit of the Authority.

Nonprofit Blended Component Unit:

Building Our Community, Inc.
Building Our Community, Inc. (BOC) is a legally separate tax-exempt entity under section 501(c)(3) of the Internal Revenue Code. It was created to provide safe, decent, and sanitary housing and other programs for low income and moderate-income individuals within the City of New Roads. The Authority is the sole member of BOC. The members of the Board of Commissioners of the Authority serve as the Board of Directors of BOC. BOC is an instrumentality of the Authority and are fiscally dependent on the Authority. As a result, BOC is presented as a blended component unit and is included in the balances of the primary government. For these financial statement footnote disclosures, the use of the term "Authority" is in reference to the primary government, which is composed of both the Authority and BOC. All significant inter-program balances and transactions between these entities have thus been eliminated. BOC did not have any balances to report as of the fiscal year ended June 30, 2025. Therefore, no separate condensed financial statements are considered necessary for reporting in the footnotes to the Authority's financial statements as required by GASB 14 as amended by GASB's 39,61, and 80 for blended component units of the primary government. BOC's offices are located at 151 Cherry Street, New Roads, LA 70760.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit:

False River Partners, LP (Riverdale)
False River Partners, LP (Riverdale) (the Partnership) was organized in 2016 as a limited partnership to develop, construct, own, maintain and operate a 48-unit rental housing project. The project is located in the city of New Roads, LA and is currently known as Riverdale. The Partnership is composed of a managing general partner, Flight 35, LLC, a co-general partner, BOC New Roads, LLC, and a limited partner, AHP Housing Fund 133, LLC, who have a 0.0049%, 0.0051%, and 99.99% ownership interest, respectively, in the Partnership. BOC is the sole member of BOC New Roads, LLC. The major activities of the partnership are governed by the partnership agreement. The Partnership is treated as a discrete component unit of the Authority's primary government because it is legally separate and, even though it does not meet any of the blending criteria, is considered important to financial statement users and the Authority's management believes it would be misleading to exclude it from the Authority's financial statements. The Partnership's activity is reported separately in the financial statements and accompanying schedules in the Discretely Presented Component Unit column. The Partnership has a December 31st fiscal year-end. Its financial statements reported within the Authority's June 30, 2025 financial statements are as of and for the fiscal year ended December 31, 2024. A copy of the financial statements of the Partnership. for the year ended December 31, 2024, may be obtained by writing to The Housing Authority of the Town of New Roads, 151 Cherry Street, New Roads, LA 70760-2411.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The Authority's financial statements are accounted for on the flow of economic resources management focus using the accrual basis of accounting. The accounting objectives are a determination of net income, financial position, and changes in cash flow.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a proprietary fund's activities are included on the Statement of Net Position. Proprietary fund net position is segregated into Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. Revenues are recognized when they are earned and expenses are recognized when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are rental charges to tenants and operating subsidy grants from HUD. Operating expenses for proprietary funds include the cost of administrative expenses, maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Authority applies restricted resources to fund restricted costs and unrestricted resources to fund unrestricted costs. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements.

The Authority has previously adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In accordance with this statement, the Authority accounted for all grants that qualify as non-exchange transactions, recognizing receivables and revenues when all applicable eligibility requirements are met. In addition, capital contributions are recorded on the Statement of Revenues, Expenses, and Changes in Fund Net Position after income before contributions and before changes in net position.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component on net position.

C. Cash, Cash Equivalents, and Investments
Cash and cash equivalents include cash on hand, demand deposits, and money market accounts. For purposes of the statement of cash flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported on the balance sheet approximate fair values because of the short maturities of those investments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Receivables
Receivables primarily include amounts from tenants for rental of housing units and amounts from HUD for operations and modernization. All receivables are current and due within one year. Tenant receivables are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible.

E. Restricted Assets and Liabilities
Debt covenants, HUD regulations, and inter-local agreements restrict the use of certain assets. Restricted assets are offset by related liabilities in accordance with their liquidity.

F. Inventories
Inventories are accounted for under the consumption method and recorded at the lower of cost or market, net of an allowance for obsolete inventories. Materials and supplies are recorded as inventories when purchased and as expenditures when used. Allowances are reported when materials and supplies are deemed obsolete.

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

H. Capital Assets
Capital assets include property, furniture, equipment, and machinery. Capital assets with initial, individual costs that equal or exceed $500 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is expensed in accordance with GASB 89. Construction in progress consists of capital improvements funded by modernization grant programs. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-27.5
Improvements other than buildings	10
Furniture, equipment, and machinery	5

I. Compensated Absences
The Authority's policy allows each employee to accumulate up to 240 vacation hours and be paid for them upon separation. Time accrued beyond that is forfeited unless exception is granted by the Board. Sick leave may be accumulated, but it is not paid out upon separation. The majority of employees utilize their annual accrual of vacation and sick leave during the year accrued. The Authority records compensated absences in the period they are earned and 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.

J. Unearned Revenue
The Authority recognizes revenues as earned. An amount received in advance of the period in which it is earned is recorded as a liability under deferred revenue.

K. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Recent Accounting Pronouncements
The Authority has adopted GASB Statement No. 101, Compensated Absences. Statement 101 aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments. The adoption of GASB Statement No. 101 had no material effect on the Authority's June 30, 2025 financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Authority has adopted GASB Statement No. 102, Certain Risk Disclosures. Statement 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. GASB Statement 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources, for example, a small number of companies that represent a majority of employment in a government's jurisdiction, or a government that relies on one revenue source for most of its revenue. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority, such as a voter-approved property tax cap or a state-imposed debt limit. The adoption of GASB Statement No. 102 had no material effect on the Authority's June 30, 2025 financial statements.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

Cash and investments may be invested in the following HUD-approved vehicles:

- Direct obligations of the federal government backed by the full faith and credit of the United States;
- Obligations of government agencies;
- Securities of government sponsored agencies;
- Demand and savings deposits; and,
- Time deposits and repurchase agreements.

At June 30, 2025, the Authority's cash was in bank deposits or money market accounts. All of the Authority's federal funds were insured or collateralized with securities held by the Authority or by agents in the Authority's name. The Authority did not have any investments as of fiscal year end June 30, 2025. The Authority's cash balances at June 30, 2025 totaled $37,768.

Interest Rate Risk – The Authority's formal investment policy does not specifically address the exposure to this risk.

Credit Risk – The Authority's formal investment policy does not specifically address credit risk. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

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.

Concentration of Credit Risk – The Authority's investment policy does not restrict the amount that the Authority may invest in any one issuer.

NOTE 3 – CAPITAL ASSETS

A. Changes in Capital Assets
Capital asset activity for the year ended June 30, 2025 was as follows:

	Primary Government				
	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Capital assets not being depreciated					
Land	$ 92,379	$ -	$ -	$ -	$ 92,379
Construction in progress	-	8,642	-	(8,642)	-
Total capital assets not being depreciated	92,379	8,642	-	(8,642)	92,379
Capital assets being depreciated					
Buildings and improvements	3,925,265	77,759	-	8,642	4,011,666
Equipment	141,514	2,271	-	-	143,785
Total capital assets being depreciated	4,066,779	80,030	-	8,642	4,155,451
Less accumulated depreciation for:					
Buildings and improvements	(2,984,806)	(120,744)	-	-	(3,105,550)
Equipment	(141,514)	(454)	-	-	(141,968)
Total accumulated depreciation	(3,126,320)	(121,198)	-	-	(3,247,518)
Capital assets, net	$ 1,032,838	$(32,526)	$ -	$ -	$ 1,000,312

B. Capital Contributions
The Authority receives capital grants from HUD. The Authority recognized $8,642 in capital contributions for the fiscal year ended June 30, 2025.

NOTE 4 – NONCURRENT LIABILITIES

Noncurrent liabilities at June 30, 2025 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 13,574	$ 9,861	$ 1,745	$ 21,690	$ 9,295
Total noncurrent liabilities	$ 13,574	$ 9,861	$ 1,745	$ 21,690	$ 9,295

NOTE 5 – DEFINED CONTRIBUTION PENSION PLAN

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

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

The Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Authority's contributions and interest forfeited by employees who leave employment before five years of service are first used to pay plan expenses and, if there is any residual amount, the amount is refunded to the Authority. The Authority has the right to establish or amend retirement plan provisions. The Authority's Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications. The Authority made the required contributions of $13,582 for the year ended June 30, 2025, of which $12,223 was paid by the Authority and $6,791 was paid by employees.

NOTE 6 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has mitigated this risk by obtaining insurance coverage from commercial insurance companies. Premiums paid for insurance coverage are recorded as expenses of the funds affected. The various insurance policies are subject to deductible amounts and maximum coverage. If the deductibles and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. During the current year and the prior three years, settled claims have not exceeded coverage levels, and insurance coverage, by major categories of risk, is consistent with prior year.

NOTE 7 – CONCENTRATION OF RISK

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

NOTE 8 – COMMITMENTS AND CONTINGENCIES

A. Grants
Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed from 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.

B. Commitments
The Authority executed an employment agreement with the prior Executive Director effective April 1, 2024, for a five-year term ending March 31, 2029. The agreement has been terminated for cause as defined in the contract. Per the contract if terminated for cause, the Executive Director is entitled to all accrued compensation and benefits through the termination date. The Authority executed an employment agreement with the current Executive Director effective September 4, 2025, for a five-year term ending September 4, 2030. The agreement may be terminated for cause as defined in the contract or without cause if the Board determines termination is in the best interest of the Authority. If terminated without cause, the Executive Director is entitled to her salary through the effective date of termination, a lump sum equal to the salary she would have earned for three additional months of work. Upon such payment, the Authority shall have no further liability hereunder other than for reimbursement for reasonable business expenses incurred prior to the date of termination. If terminated for cause, the Executive Director is entitled to the amount of salary owed to the date of termination, including all accrued annual leave and other benefits, including reimbursement of reasonable authorized business expenses incurred prior to the date of termination. Either party may terminate the agreement with 60 days' written notice.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

C. Pending Litigation
As of June 30, 2025, the Authority was involved in a wrongful termination lawsuit with the current Executive Director. This matter has been settled after year end and is no longer ongoing. Thus, there is no contingent liability to report.

During the fiscal year 2025, the Authority investigated an employment-related matter involving allegations of sexual harassment. The matter involved the former Executive Director and a maintenance employee. As a result of the investigation, the Executive Director was suspended and subsequently terminated. Management has indicated that the matter has been resolved. As of the date of this report, the Authority is not aware of any pending litigation or threatened litigation related to this matter, and no liability has been recorded in the accompanying financial statements.

During fiscal year 2025, litigation has been threatened by the prior Executive Director in response to a demand letter by the Authority for repayment of unallowed benefits. The Authority intends to vigorously contest the liability and to assert it as a counterclaim. A favorable outcome is likely therefore no contingent liability has been recorded.

NOTE 9 – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through March 19, 2026 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE 10 – FINANCIAL DATA SCHEDULE

The Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes depreciation expense from operating activities and includes investment revenue, interest expense (capital debt related), and capital grant revenue in operating activities, which differs from the presentation of the basic financial statements. Also, the schedule has reported a prior period adjustment for the discretely presented component unit, when no prior period adjustment has been reported within the basic financial statements. This is because the prior period adjustment that is reported in the schedule does not represent a true prior period adjustment, but instead represents the first year reporting of a pre-established discretely presented component unit into the schedule this year and the schedule not allowing for this entity's beginning net position to be reported under the beginning net position line. Thus, the discretely presented component unit's beginning net position was required to be reported under the prior period adjustment line in the schedule.

2025-001 Material weakness in internal controls due to lack of Board oversight

Condition and Criteria: In review of the Board of Commissioner's meeting minutes, it appears the Authority lacks sufficient Board oversight to properly monitor the Authority's activities and operations.

The Authority must establish appropriate oversight and monitoring by the Board of Commissioners in accordance with *24 CFR § 811.105*. The Board of Commissioners, through their knowledge, skills, and experience to provide effective leadership has the overall responsibility to develop policy and establish controls for directing the Authority. In order for the Board to provide the proper oversight and governance required, the Authority must provide adequate and comprehensive financial information.

Cause: Under management of the prior Executive Director, Andrea Brue, there were no Board meetings held from August 2024 through June 2025, almost the entirety of the audit period. It was disclosed that Board meetings were routinely canceled by the prior Executive Director and no financial information on the status of the Authority was provided during that time. Therefore, there was insufficient evidence provided that the Board of Commissioners reviewed or approved the necessary reports, budgets, PHA plan, financials, and resolutions in accordance with HUD guidelines. Resolutions and other significant items were not being properly approved. It was also noted that the prior Executive Director was hired by the previous board with inadequate experience and qualifications for the role. The previous board did not follow their hiring procedures when filling this position. The Authority does not have the necessary controls in place for the Board to properly monitor activities of the Authority.

Effect: The Authority is in noncompliance with HUD regulations related to Board oversight. A lack of Board oversight may create an environment within the program areas and operations of the Authority that adversely impact the Authority's performance. The Authority's activities are not being adequately monitored, potentially allowing instances of fraud to go undetected due to the fact that there is very limited segregation of duties and due to the inability of the Board to properly monitor the Authority's activities.

Auditor's Recommendation: The Board should be made aware of HUD's guidelines for Board oversight. Financial statements and budgets should be prepared for the Board of Commissioners before Board meetings, and the Board should review these reports and approve them in order to provide evidence that they have reviewed them. Board meeting minutes should be signed by board members as evidence of their approval of board resolutions.

Grantee Response: Management acknowledges the finding and is following the auditor's recommendations. Under the management of the current Executive Director, monthly board meetings have been held consistently.

2025-002 – Material weakness in internal controls over tenant file procedures

Condition and Criteria: During our audit, it was determined that material weaknesses in internal controls existed over the Authority's Public Housing Operating Fund tenant file process being compliant with HUD regulatory requirements.

Per *24 CFR § 5, subpart F, § 960.259*, and *§ 960.201* a Public Housing Agency (PHA) must obtain and document in the family tenant file various third-party verification including reported family annual income, expenses related to deductions from annual income, the value of assets, and other factors affecting the determination of adjusted income or income-based rent for both family income examinations and reexaminations. As a condition of admission to or continued assistance the PHA must obtain a consent form authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to the PHA such information necessary. The PHA must then accurately determine income eligibility and calculate tenants' rent payments using this documentation. In order to monitor compliance with income eligibility the PHA must comply with HUD-prescribed reporting requirements that permit HUD to maintain the data.

During audit review of tenant files, we noted that 9 out of the 10 tenant files tested had exceptions noted in our review. The utility allowance reported on the HUD 50058 report for all tenants tested was anywhere from $1-$5 off from the supporting utility allowance schedule; in addition, 3 of the tenant files had significant variances between the utility allowance reported on the 50058 and the supporting utility allowance schedule. On 2 of the files tested, income from prior recertifications was being rolled forward and used despite evidence provided by the EIV that income had changed. On 4 of the files, supporting documentation for income, childcare costs, other deductions, and/or income calculations was unable to be provided. The Authority was unable to provide any documentation for two of the tenant files selected for testing. We also noted that one of the tenants selected for testing was the cousin of the prior Executive director and another tenant selected for testing was the daughter of the previous Assistant of the Authority, where exceptions were noted in both instances.

Cause: The Authority's internal controls in place by prior management over the tenant file determination process lacked the necessary controls over information and communication of HUD regulatory requirements. Per the current Executive Director, rent calculations and recertifications were not being done correctly under prior management. Adequate support for income was not being obtained. EIV reports were not being run on an annual basis, or if they were, were often not followed as noted above. Waiting list procedures were also not followed as preference was given to friends and family of the prior Executive Director and other staff. Additional tenant file documentation showing instances of noncompliance where income was being improperly excluded without justification was also provided. The current Executive Director explained that prior management drew down COVID subsidy funds to cover rent balances for tenants reported as delinquent; however, based on records at the time, those tenants did not have outstanding rent balances.

Effect: Improper tenant file processing can lead to tenant rent calculations being wrong and as a result, misstatements to the financial statements and a potential incorrect amount of public housing operating fund subsidy being provided to the Authority.

Auditor's Recommendation: The new management of the managing Authority is in the process of correcting errors and noncompliance instances caused by the prior Executive Director. We recommend the current Executive Director and Authority staff to continue to obtain training through related training seminars and classes and to monitor HUD news and notices for any new guidance or changes to the public housing industry. We also recommend that a periodic review of the family income examinations and reexaminations be performed to ensure that the Authority is following HUD eligibility rules and regulations and, if any errors have been made, that the current Executive Director can identify these quickly and take the necessary corrective action.

Grantee Response: Management acknowledges the finding and is following the auditor's recommendations.

2025-003 – Material weakness in internal controls over cash disbursements

Condition and Criteria: During our audit, it was determined that a material weakness in internal controls existed over the Authority's cash disbursements being compliant with the Code of Federal Regulations and HUD guidelines. These deficiencies occurred because of weaknesses in the Authority's financial management controls over disbursements that were insufficient to ensure compliance with applicable regulations.

Per *2 CFR § 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E – Cost Principles, costs must meet certain general criteria in order to be allowable under Federal awards. These criteria include the fact that costs must conform to any limitations or exclusions set forth in the cost principles or in the Federal awards as to types or amount of cost items, and costs must be adequately documented.

Cause: Of the 12 months of disbursements for the fiscal year ended June 30, 2025, 20 Public Housing Operating Fund Program disbursements were examined. Under management of the prior executive director, Andrea Brue, and prior board chair, Myrtle Wells, the Authority's internal controls over the purchasing and payables process were inadequate in monitoring and identifying where unallowable costs were incurred and where costs were incurred without having adequate documentation to properly check for potential unallowable costs. The prior board chair was not performing essential oversight duties. Of four of the disbursements tested, sufficient supporting documentation was unable to be provided. Of six of the disbursements tested, we identified costs that would be considered unallowable as they appeared to be personal expenditures or would at the least be considered waste / abuse. Of three of the disbursements tested, we identified contract costs that would not be considered necessary and indicate waste / abuse. Procurement procedures were not followed properly, otherwise these contracts would never have been accepted.

During audit procedures and discussions with the current Executive Director, multiple instances of noncompliance with Authority policies and potential misuse of Housing Authority funds under prior management were identified. Documentation indicated that the former Executive Director issued a payroll check to Eveready Electrical Services on July 17, 2025, while suspended, and paid contractors via direct deposit contrary to policy. Additionally, contractors were reportedly not issued required Form 1099s for 2024, and unexplained surcharges were charged to the Authority under an A/C contract. The Authority's policy prohibits bank debits except for payroll or supported online purchases; however, several debits were identified that did not meet these criteria. The check-signing requirement had been reduced from three signatures to two under prior management, authorizing the former Executive Director and former Board Chair, and it was alleged that the Board Chair's signature may have been forged on certain checks. The former Executive Director also maintained a Regions Visa debit card that employees used for purchases in violation of policy, including a Walmart transaction with a PIN where no receipt could be located and cash back may have been obtained. Numerous fuel purchases were charged despite the agency vehicle reportedly being out of service since February 2025. A Home Depot credit card associated with the former Executive Director included returns that were converted to gift cards rather than credited to the account and also utilized a personal military discount. Additional concerns included payment of 200 hours of sick leave to a terminated employee despite policy prohibiting payout upon separation, questionable travel expenditures, and a review of the former Executive Director's spending over a 14-month period that appeared excessive. Staff also reported observing Authority-purchased materials being taken for personal use and suspected that contractors performing Authority work may have completed work at the former Executive Director's personal residence. The former Executive Director also received multiple salary increases within a short period without clear authorization. Further issues included noncompliance with employee benefits policies, such as the Authority covering employee health insurance costs that should have been paid through payroll deductions, personal insurance policies allegedly taken out and later cashed out by the former Executive Director without board approval, and failure by the former Executive Director to contribute her required portion of the 401(k) while still receiving the employer match. The prior executive director received $21,917 in insurance benefits, of which only $9,617 was authorized through her contract. Additionally, the former Executive Director spent $128,495 of a component unit of the Authority's funds without prior approval from the board. The agency is requesting these funds back. Lastly, procurement concerns were noted involving a contractor identified as Lopez, who was paid significant amounts without evidence of proper procurement procedures or competitive bidding. The contractor's W-9 was reportedly filed under his spouse's name, and staff indicated that much of the work paid to the contractor was actually performed by Authority maintenance staff, with some contractor work later requiring correction by maintenance personnel.

These matters collectively indicate significant weaknesses in internal controls, procurement practices, and oversight under prior management.

The amount of known questioned costs noted during our testing amounted to $6,761. We estimate total likely questioned costs to be approximately $184,404.

Under prior management of the former Executive Director, the Authority's internal controls over the purchasing and payables process were inadequate in monitoring and identifying where unallowable costs were incurred and where costs were incurred without having adequate documentation to properly check for potential unallowable costs. We determined that these compliance exceptions were a result of internal control deficiencies as well as instances of material noncompliance.

Effect: A lack of internal controls and source documentation could lead to improper cash transaction and could create opportunities that fraudulent transactions could occur. The Authority also could have incurred additional unallowable costs related to the checks that were paid during the year that did not have adequate supporting backup documentation.

Auditor's Recommendation: It is recommended the Authority review the internal controls over their purchases and payables internal controls to ensure the adequate monitoring over whether or not costs incurred are allowable and adequately supported. The person responsible for reviewing and approving costs should review over the applicable cost principles to ensure they have an adequate understanding of what costs are allowable and what costs are unallowable.

Grantee Response: Management acknowledges the finding and is following the auditor's recommendations.

HENDERSON & PILLETERI LLC
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Commissioners
Housing Authority of the Town of New Roads

Independent Accountant's Report

We have performed the procedures enumerated below, which was agreed to by the Housing Authority of the Town of New Roads ("the Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package for the year ended June 30, 2025. The Authority's management is responsible for accuracy and completeness of the electronic submission for the year ended June 30, 2025.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

We compared the electronic submission of the items listed in the chart below under "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

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 AICPA and, if applicable, the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States, and/or any other standards or requirements to be followed. 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 the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below for the year ended June 30, 2025. 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.

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Balance Sheet and Revenue and Expense	Financial Data Schedule, all CFDAs, If applicable	X	
2	Footnotes	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS	Auditor's supplemental report on FDS	X	
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Henderson & Pilleteri, LLC

Birmingham, AL
March 19, 2026

Henderson & Pilleteri, LLC | 200 Chase Park South | Suite 220 | Birmingham, AL 35244
Phone 205.982.0992 | Fax 205.982.0997 | hendersoncpa.com

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS
FINANCIAL DATA SCHEDULE – BALANCE SHEET
JUNE 30, 2025

	Project Total	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
111 Cash - Unrestricted	$28,378	$71,105	$99,483		$99,483
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		$245,166	$245,166		$245,166
114 Cash - Tenant Security Deposits	$9,390	$17,450	$26,840		$26,840
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	$37,768	$333,721	$371,489		$371,489
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	$58		$58		$58
126 Accounts Receivable - Tenants	$10,903	$444	$11,347		$11,347
126.1 Allowance for Doubtful Accounts -Tenants	($7,379)	$0	($7,379)		($7,379)
126.2 Allowance for Doubtful Accounts - Other	($58)		($58)		($58)
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	$3,524	$444	$3,968		$3,968
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	$51,648	$6,398	$58,046		$58,046
143 Inventories	$13,940		$13,940		$13,940
143.1 Allowance for Obsolete Inventories	($697)		($697)		($697)
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	$106,183	$340,563	$446,746		$446,746
161 Land	$92,379	$378,937	$471,316		$471,316
162 Buildings	$3,538,110	$7,897,361	$11,435,471		$11,435,471
163 Furniture, Equipment & Machinery - Dwellings	$40,099		$40,099		$40,099
164 Furniture, Equipment & Machinery - Administration	$103,686	$198,245	$301,931		$301,931
165 Leasehold Improvements	$473,556		$473,556		$473,556
166 Accumulated Depreciation	($3,247,518)	($1,787,253)	($5,034,771)		($5,034,771)
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	$1,000,312	$6,687,290	$7,687,602		$7,687,602
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		$89,675	$89,675		$89,675
176 Investments in Joint Ventures					
180 Total Non-Current Assets	$1,000,312	$6,776,965	$7,777,277		$7,777,277
200 Deferred Outflow of Resources					

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS
FINANCIAL DATA SCHEDULE – BALANCE SHEET
JUNE 30, 2025

	Project Total	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	$1,106,495	$7,117,528	$8,224,023		$8,224,023
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	$2,447	$5,847	$8,294		$8,294
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion	$9,295		$9,295		$9,295
324 Accrued Contingency Liability					
325 Accrued Interest Payable		$6,586	$6,586		$6,586
331 Accounts Payable - HUD PHA Programs	$2,050		$2,050		$2,050
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	$9,390	$17,450	$26,840		$26,840
342 Unearned Revenue	$1,720	$70	$1,790		$1,790
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		$28,197	$28,197		$28,197
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities		$17,162	$17,162		$17,162
346 Accrued Liabilities - Other		$7,754	$7,754		$7,754
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	$24,902	$83,066	$107,968		$107,968
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		$1,329,658	$1,329,658		$1,329,658
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	$12,395		$12,395		$12,395
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	$12,395	$1,329,658	$1,342,053		$1,342,053
300 Total Liabilities	$37,297	$1,412,724	$1,450,021		$1,450,021
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	$1,000,312	$5,329,435	$6,329,747		$6,329,747
511.4 Restricted Net Position	$0	$245,166	$245,166		$245,166
512.4 Unrestricted Net Position	$68,886	$130,203	$199,089		$199,089
513 Total Equity - Net Assets / Position	$1,069,198	$5,704,804	$6,774,002		$6,774,002
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$1,106,495	$7,117,528	$8,224,023		$8,224,023

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS
FINANCIAL DATA SCHEDULE – INCOME STATEMENT
YEAR ENDED JUNE 30, 2025

	Project Total	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$150,743	$426,764	$577,507		$577,507
70400 Tenant Revenue - Other	$1,525	$12,546	$14,071		$14,071
70500 Total Tenant Revenue	$152,268	$439,310	$591,578	$0	$591,578
70600 HUD PHA Operating Grants	$144,552		$144,552		$144,552
70610 Capital Grants	$8,642		$8,642		$8,642
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue			$0	$0	$0
70800 Other Government Grants					
71100 Investment Income - Unrestricted	$500		$500		$500
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	$22,238		$22,238		$22,238
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	$328,200	$439,310	$767,510	$0	$767,510
91100 Administrative Salaries	$101,598	$40,634	$142,232		$142,232
91200 Auditing Fees	$12,605	$8,219	$20,824		$20,824
91300 Management Fee		$31,086	$31,086		$31,086
91310 Book-keeping Fee					
91400 Advertising and Marketing		$487	$487		$487
91500 Employee Benefit contributions - Administrative	$43,694	$6,021	$49,715		$49,715
91600 Office Expenses	$30,553	$4,043	$34,596		$34,596
91700 Legal Expense		$6,128	$6,128		$6,128
91800 Travel	$2,569		$2,569		$2,569
91810 Allocated Overhead					
91900 Other	$11,863	$16,030	$27,893		$27,893
91000 Total Operating - Administrative	$202,882	$112,648	$315,530	$0	$315,530
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	$29		$29		$29
92500 Total Tenant Services	$29	$0	$29	$0	$29
93100 Water	$483	$348	$831		$831
93200 Electricity	$4,348	$2,640	$6,988		$6,988
93300 Gas	$732		$732		$732
93400 Fuel					
93500 Labor					

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS
FINANCIAL DATA SCHEDULE – INCOME STATEMENT
YEAR ENDED JUNE 30, 2025

	Project Total	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
93600 Sewer	$1,245	$646	$1,891		$1,891
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense	$557	$427	$984		$984
93000 Total Utilities	$7,365	$4,061	$11,426	$0	$11,426
94100 Ordinary Maintenance and Operations - Labor	$68,657	$32,981	$101,638		$101,638
94200 Ordinary Maintenance and Operations - Materials and Other	$106,074	$13,485	$119,559		$119,559
94300 Ordinary Maintenance and Operations Contracts	$50,785	$60,648	$111,433		$111,433
94500 Employee Benefit Contributions - Ordinary Maintenance	$17,317		$17,317		$17,317
94000 Total Maintenance	$242,833	$107,114	$349,947	$0	$349,947
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	$0	$0	$0	$0	$0
96110 Property Insurance	$58,984	$74,773	$133,757		$133,757
96120 Liability Insurance	$4,562		$4,562		$4,562
96130 Workmen's Compensation	$4,956	$7,843	$12,799		$12,799
96140 All Other Insurance	$3,867	$12,711	$16,578		$16,578
96100 Total insurance Premiums	$72,369	$95,327	$167,696	$0	$167,696
96200 Other General Expenses	$61		$61		$61
96210 Compensated Absences	$9,861		$9,861		$9,861
96300 Payments in Lieu of Taxes	$14,462	$15,832	$30,294		$30,294
96400 Bad debt - Tenant Rents	$7,185		$7,185		$7,185
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	$31,569	$15,832	$47,401	$0	$47,401
96710 Interest of Mortgage (or Bonds) Payable		$105,043	$105,043		$105,043
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	$0	$105,043	$105,043	$0	$105,043
96900 Total Operating Expenses	$557,047	$440,025	$997,072	$0	$997,072
97000 Excess of Operating Revenue over Operating Expenses	($228,847)	($715)	($229,562)	$0	($229,562)
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense	$121,198	$249,980	$371,178		$371,178
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	$678,245	$690,005	$1,368,250	$0	$1,368,250

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS
FINANCIAL DATA SCHEDULE – INCOME STATEMENT
YEAR ENDED JUNE 30, 2025

	Project Total	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
10010 Operating Transfer In	$61,202		$61,202	($61,202)	$0
10020 Operating transfer Out	($61,202)		($61,202)	$61,202	$0
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	($350,045)	($250,695)	($600,740)	$0	($600,740)
11020 Required Annual Debt Principal Payments	$0	$0	$0		$0
11030 Beginning Equity	$1,419,243	$0	$1,419,243		$1,419,243
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		$5,955,499	$5,955,499		$5,955,499
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	720	576	1,296		1,296
11210 Number of Unit Months Leased	704	558	1,280		1,280
11270 Excess Cash	($30,030)		($30,030)		($30,030)
11610 Land Purchases	$0		$0		$0
11620 Building Purchases	$86,401		$86,401		$86,401
11630 Furniture & Equipment - Dwelling Purchases	$0		$0		$0
11640 Furniture & Equipment - Administrative Purchases	$2,271		$2,271		$2,271
11650 Leasehold Improvements Purchases	$0		$0		$0
11660 Infrastructure Purchases	$0		$0		$0
13510 CFFP Debt Service Payments	$0		$0		$0
13901 Replacement Housing Factor Funds	$0		$0		$0

HOUSING AUTHORITY OF THE TOWN OF NEW ROADS
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE EXECUTIVE DIRECTOR
YEAR ENDED JUNE 30, 2025

Expenditure Purpose:

Salary	$ 70,000
Bonuses	-
Benefits - Insurance	21,917
Benefits - Retirement	3,500
Car Allowance	-
Per Diem	103
Registration Fees	717
Total Compensation, Benefits, and Other Payments	$ 96,237

Agency Head: Ms. Andrea Brue., Executive Director

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*.