

HOUSING AUTHORITY
OF THE CITY OF NEW IBERIA
NEW IBERIA, LOUISIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED MARCH 31, 2021

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

NEW IBERIA, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the enterprise fund and the aggregate discretely presented component units of the Housing Authority of the City of New Iberia, Louisiana as of and for the year ended March 31, 2021, and the related notes to the financial statements which collectively comprise the Authority's financial statements as listed in the table of contents. We did not audit the financial statements of Bayou Place Development I, LP and Bayou Place Development II, LP, discretely presented component units of the Authority which represent 100% of the assets and deferred outflows of resources, net position and revenues of the aggregate discretely presented component units in the 'Discrete Component Units' column of the Authority's basic financial statements, as of and for the year ended December 31, 2020.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Bayou Place Development I, LP and Bayou Place Development II, LP, discretely presented components units of the Authority which represent 100% of the assets and deferred outflows of resources, net position and revenues of the aggregate discretely presented component units. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditor. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and qualified audit opinions.

Summary of Opinions

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

Basis for Qualified Opinion on the Enterprise Fund

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

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion on the Enterprise Fund paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority's enterprise fund as of March 31, 2021, 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.

Unmodified Opinion

In our opinion, based on the reports of another auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority's aggregate discretely presented component units as of December 31, 2020, 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.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 6 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

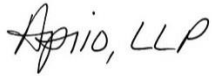
Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. Supplementary data is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for the Department of Housing and Urban Development's information and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is 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.

The Financial Data Schedule, the Schedule of Expenditures of Federal Awards and other supplementary data are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting data and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, slightly slanted style.

Birmingham, Alabama
September 28, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 28, 2021. Our report includes a reference to another auditor who audited the financial statements of Bayou Place Development I, LP and Bayou Place Development II, LP (discretely presented components unit of the Authority), as described in our report on the Authority's financial statements. 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. The financial statements of the Discrete Component Units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Discrete Component Units.

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* and therefore, *material weaknesses* or *significant deficiencies* may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Findings 2021-001 through 2021-003, that we consider to be *material weaknesses*.

Compliance and Other Matters

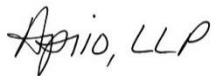
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 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 Findings 2021-003 and 2021-004.

The Authority's Responses to the Findings

The Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



Birmingham, Alabama
September 28, 2021

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

FOR THE YEAR ENDED MARCH 31, 2021

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

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

Financial Highlights

- The Authority's net position decreased by \$348,961 during fiscal year 2021 and was \$2,460,423 and \$2,111,462 for fiscal years 2020 and 2021, respectively.
- Revenues decreased by \$470,382 during fiscal year 2021 and were \$1,286,665 and \$816,283 for fiscal years 2020 and 2021, respectively.
- Expenses increased \$70,278 during fiscal year 2021 and were \$1,094,966 and \$1,165,244 for fiscal years 2020 and 2021, respectively.

USING THIS ANNUAL REPORT

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

MD&A

*~ MANAGEMENT DISCUSSION
AND ANALYSIS ~*

BASIC FINANCIAL STATEMENTS

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

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

Authority-Wide Financial Statements

Statement of Net Position

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

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

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

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

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

Statement of Revenues, Expenses, and Changes in Net Position

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

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

Statement of Cash Flows

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

THE AUTHORITY'S MAIN PROGRAMS

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

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

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

- Public Housing CARES Act Funding
- Business Activities

AUTHORITY-WIDE STATEMENTS

Condensed Statement of Net Position

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

TABLE 1
CONDENSED STATEMENT OF NET POSITION

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 707,636	\$ 736,676	\$ (29,040)
Capital Assets	1,910,985	2,164,897	(253,912)
Other Non-Current Assets	10,228	20,778	(10,550)
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 2,628,849	\$ 2,922,351	\$ (293,502)
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 494,854	\$ 446,660	\$ 48,194
Non-Current Liabilities	22,533	15,268	7,265
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	\$ 517,387	\$ 461,928	\$ 55,459
Net Position:			
Net Investment in Capital Assets	\$ 1,910,985	\$ 2,164,897	\$ (253,912)
Unrestricted Net Position	200,477	295,526	(95,049)
Total Net Position	\$ 2,111,462	\$ 2,460,423	\$ (348,961)

Major Factors Affecting the Condensed Statement of Net Position

During 2021 current and restricted assets decreased due primarily to a reduction of grants receivable due from HUD. Capital assets decreased due to depreciation exceeding capital expenditures on improvements. For additional detail see 'Capital Assets' in Tables 4 and 5.

Current liabilities increased due to unexpended CARES Act grant proceeds held as of fiscal year-end.

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2

CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, April 1, 2020	\$ 295,526
Results of Operations	(349,761)
Capital Asset Purchases from Operations	(4,449)
Interest Income	800
Depreciation Expense	<u>258,361</u>
Unrestricted Net Position, March 31, 2021	<u><u>\$ 200,477</u></u>

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

TABLE 3

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Revenues:			
Tenant Rental and Other Revenue	\$ 282,230	\$ 309,308	\$ (27,078)
Operating Grants	518,509	783,212	(264,703)
Capital Grants	-	178,824	(178,824)
Interest Income	800	1,628	(828)
Other Revenue	14,744	13,693	1,051
Total Revenues	<u>\$ 816,283</u>	<u>\$ 1,286,665</u>	<u>\$ (470,382)</u>
Expenses:			
Administrative Expenses	\$ 152,777	\$ 141,990	\$ 10,787
Utilities	161,695	184,535	(22,840)
Maintenance and Operations	263,102	213,683	49,419
Protective Services	1,546	-	1,546
General Expense	327,763	270,309	57,454
Depreciation	258,361	284,449	(26,088)
Total Expenses	<u>\$ 1,165,244</u>	<u>\$ 1,094,966</u>	<u>\$ 70,278</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$ (348,961)</u>	<u>\$ 191,699</u>	<u>\$ (540,660)</u>

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

Tenant revenues decreased moderately due primarily to reductions of excess utility, late fee and work order charges recognized from tenants. Operating grants decreased due to reductions of subsidies recognized through the Public Housing and Capital Fund Programs. Capital grants decreased due to a significant reduction of modernization and improvement activity on the Authority's Public Housing dwelling properties.

Utilities expenses decreased due to a reduction of electricity costs incurred. Maintenance costs increased due primarily to an increase of external contracting costs incurred. General expenses increased due to increases of insurance premiums and tenant bad debt charges. Depreciation decreased due to assets reaching their estimated useful lives during fiscal years 2020 and 2021.

CAPITAL ASSETS

As of year-end, the Authority had \$1,910,985 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$253,912 from the end of fiscal year 2020.

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

	2021	2020	Variance	% Change
Land	\$ 222,593	\$ 222,593	\$ -	0%
Buildings and Improvements	14,147,838	14,143,389	4,449	0%
Furniture and Equipment	326,426	326,426	-	0%
Accumulated Depreciation	(12,785,872)	(12,527,511)	(258,361)	2%
Net Capital Assets	\$ 1,910,985	\$ 2,164,897	\$ (253,912)	-12%

**TABLE 5
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, April 1, 2020	\$ 2,164,897
Additions:	
Building Improvements	4,449
Depreciation Expense	(258,361)
Ending Balance, March 31, 2021	\$ 1,910,985

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

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

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF NET POSITION
MARCH 31, 2021**

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

	<u>Enterprise Fund</u>	<u>Discrete Component Units</u>	<u>Total Reporting Entity</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 301,183	\$ 311,191	\$ 612,374
Accounts Receivable, Net	48,960	-	48,960
Accrued Interest Receivable	457	-	457
Investments	89,440	-	89,440
Prepaid Costs	195,790	12,857	208,647
Total Current Assets	<u>635,830</u>	<u>324,048</u>	<u>959,878</u>
<u>Restricted Assets</u>			
Cash and Cash Equivalents	71,806	353,876	425,682
Total Restricted Assets	<u>71,806</u>	<u>353,876</u>	<u>425,682</u>
<u>Capital Assets</u>			
Land	222,593	328,535	551,128
Buildings and Improvements	14,147,838	7,490,957	21,638,795
Furniture and Equipment	326,426	210,571	536,997
	14,696,857	8,030,063	22,726,920
(Less): Accumulated Depreciation	<u>(12,785,872)</u>	<u>(2,692,468)</u>	<u>(15,478,340)</u>
Net Capital Assets	<u>1,910,985</u>	<u>5,337,595</u>	<u>7,248,580</u>
<u>Other Assets</u>			
Accounts Receivable, Non-current	10,228	-	10,228
Other Non-current Assets	-	61,231	61,231
Total Other Assets	<u>10,228</u>	<u>61,231</u>	<u>71,459</u>
Total Assets	<u>2,628,849</u>	<u>6,076,750</u>	<u>8,705,599</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,628,849</u>	<u>\$ 6,076,750</u>	<u>\$ 8,705,599</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF NET POSITION
MARCH 31, 2021**

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

	Enterprise Fund	Discrete Component Unit 1	Total Reporting Entity
<u>Current Liabilities</u>			
Accounts Payable	\$ 378,419	\$ -	\$ 378,419
Accrued Wages and Payroll Taxes	923	-	923
Accrued Compensated Absences	4,173	-	4,173
Accrued Interest Payable	-	3,723	3,723
Tenant Security Deposits	37,890	24,601	62,491
Unearned Revenue	73,449	1,806	75,255
Current Portion of Capital Debt	-	16,924	16,924
Total Current Liabilities	494,854	47,054	541,908
<u>Long Term Liabilities</u>			
Long Term Capital Debt	-	1,348,263	1,348,263
Accrued Compensated Absences	22,533	-	22,533
Other Non-current Liabilities	-	236,902	236,902
Total Long Term Liabilities	22,533	1,585,165	1,607,698
Total Liabilities	517,387	1,632,219	2,149,606
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	517,387	1,632,219	2,149,606
<u>Net Position</u>			
Net Investment in Capital Assets	1,910,985	3,972,408	5,883,393
Restricted Net Position	-	353,876	353,876
Unrestricted Net Position	200,477	118,247	318,724
Total Net Position	2,111,462	4,444,531	6,555,993
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,628,849	\$ 6,076,750	\$ 8,705,599

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2021

	Enterprise Fund	Discrete Component Unit 1	Total Reporting Entity
<u>Operating Revenues</u>			
Dwelling Rent	\$ 282,230	\$ 368,240	\$ 650,470
Operating Grants	518,509	-	518,509
Other Revenue	14,744	9,952	24,696
Total Operating Revenues	<u>815,483</u>	<u>378,192</u>	<u>1,193,675</u>
<u>Operating Expenses</u>			
Administrative	152,777	83,239	236,016
Utilities	161,695	4,421	166,116
Maintenance and Operations	263,102	118,574	381,676
Protective Services	1,546	-	1,546
General Expense	327,763	83,449	411,212
Depreciation	258,361	207,509	465,870
Total Operating Expenses	<u>1,165,244</u>	<u>497,192</u>	<u>1,662,436</u>
Operating Income (Loss)	<u>(349,761)</u>	<u>(119,000)</u>	<u>(468,761)</u>
<u>Non-Operating Revenues (Expenses)</u>			
Interest Income	800	1,808	2,608
Interest Expense	-	(48,127)	(48,127)
Total Non-Operating Rev/(Exp)	<u>800</u>	<u>(46,319)</u>	<u>(45,519)</u>
Increase (Decrease) in Net Position	(348,961)	(165,319)	(514,280)
Net Position, Beginning	<u>2,460,423</u>	<u>4,609,850</u>	<u>7,070,273</u>
Net Position, Ending	<u>\$ 2,111,462</u>	<u>\$ 4,444,531</u>	<u>\$ 6,555,993</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021**

	Enterprise Fund	Discrete Component Unit 1	Total Reporting Entity
<u>Cash flows from operating activities:</u>			
Cash Received from Dwelling Rent	\$ 151,381	\$ 369,867	\$ 521,248
Cash Received from Operating Grants	968,933	-	968,933
Cash Received from Other Sources	13,495	7,732	21,227
Cash Payments for Salaries and Benefits	(208,244)	(69,866)	(278,110)
Cash Payments to Vendors and Landlords	(753,776)	(197,161)	(950,937)
Net cash provided (used) by operating activities	<u>171,789</u>	<u>110,572</u>	<u>282,361</u>
<u>Cash flows from capital and related financing activities:</u>			
Capital Outlay	(4,449)	-	(4,449)
Principal, Interest and Fees paid on Capital Debt	-	(61,411)	(61,411)
Net cash provided (used) by capital and related financing activities	<u>(4,449)</u>	<u>(61,411)</u>	<u>(65,860)</u>
<u>Cash flows from investing activities:</u>			
Interest earned from cash and cash equivalents	518	1,808	2,326
Reinvestment in Certificates of Deposit	(447)	-	(447)
Net cash provided (used) by investing activities	<u>71</u>	<u>1,808</u>	<u>1,879</u>
Net increase in cash and cash equivalents	167,411	50,969	218,380
Total cash and cash equivalents, beginning of year	<u>205,578</u>	<u>614,098</u>	<u>819,676</u>
Total cash and cash equivalents, end of year	<u>\$ 372,989</u>	<u>\$ 665,067</u>	<u>\$ 1,038,056</u>

Continued on next page

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
STATEMENT OF CASH FLOWS - Continued
FOR THE YEAR ENDED MARCH 31, 2021

	Enterprise Fund	Discrete Component Unit 1	Total Reporting Entity
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating Income (Loss)	\$ (349,761)	\$ (119,000)	\$ (468,761)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and Amortization	258,361	213,242	471,603
Bad Debt Expense (Tenants)	117,789	50	117,839
Obsolete Inventory Expense	-	-	-
Change in Accounts Receivable (Tenants)	(130,045)	(50)	(130,095)
Change in Accounts Receivable (Grants)	377,057	-	377,057
Change in Other Accounts Receivable	10,550	-	10,550
Change in Prepaid Costs	(167,621)	(1,261)	(168,882)
Change in Inventory	-	-	-
Change in Accounts Payable - Operating	(10,258)	-	(10,258)
Change in Accounts Payable - EBRPHA	-	-	-
Change in Accrued Expenses	(5,597)	-	(5,597)
Change in Unearned Revenue (Tenants)	(804)	1,677	873
Change in Unearned Revenue (Grants)	73,367	-	73,367
Change in Security Deposits Held	(1,249)	(2,220)	(3,469)
Change in Other Non-current Liabilities	-	18,134	18,134
Net cash provided (used) by operating activities	<u>\$ 171,789</u>	<u>\$ 110,572</u>	<u>\$ 282,361</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF
NEW IBERIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

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

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when 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 as well as applicable pronouncements issued by the Financial Accounting Standards Board.

Cash and Investments

The Housing Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required. The Authority's investments consisted of certificates of deposit.

Accounts Receivable

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

Prepaid Items

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment

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

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

PILOT Agreement

The Authority has entered into a Payment-in-Lieu of Taxes (PILOT) Agreement with the City of New Iberia, whereby the Authority agrees to pay a negotiated sum in lieu of local real property taxes. During fiscal year 2021 the Authority incurred \$10,550 of PILOT expense.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue. As of March 31, 2021, the Authority's unearned revenue balance consisted of tenant rent prepayments of \$1,643 and unexpended grant receipts of \$71,608.

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, 2021, the Authority did not have any Deferred Outflows or Inflows of Resources.

Revenue Accounting Policies

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

Cost Allocation

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

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

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity, Statement No. 39: Determining Whether Certain Organizations are Component Units, and Statement No. 61: The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

Based upon the application of these criteria, the reporting entity includes the following component units:

HANI Non-profit Housing, Inc. (the Corporation), a blended component unit, is a not-for-profit corporation organized for the purpose of assisting the Authority in facilitating affordable housing within the New Iberia community. The Board of Directors of the Corporation consists of the Board of Commissioners of the Authority and the Authority manages the operations of the Corporation. The Corporation's fiscal year-end is March 31. The Corporation's financial balances as of and for the fiscal year ended March 31, 2021, which consisted of current assets and net position of \$602, have been incorporated into the Authority's financial statements and reported in the 'Business Activities' column of the supplemental Financial Data Schedule included with this Report. The Corporation also had \$1 of interest income and cash flows from investing activities during fiscal year 2021. The Corporation's financial statements as of and for the fiscal year ended March 31, 2021 can be obtained by contacting the Authority at 325 North Street, New Iberia, Louisiana 70560.

Bayou Place Development I, LP (BPDI, LP), a discrete component unit, was organized as a limited partnership to develop, construct, own, maintain and operate a 25-unit housing complex for rental to low-moderate income families known as Bayou Place. The Authority, through the Corporation, is the managing general partner of BPDI, LP. Because BPDI, LP is fiscally dependent on the Authority, and the existence of a financial burden relationship with the Authority, BPDI, LP's financial balances and activity as of and for the year ended December 31, 2020 are presented discretely with financial statements of the Authority. BPDI, LP's financial statements as of and for the year ended December 31, 2020 can be obtained by contacting the Authority at 325 North Street, New Iberia, Louisiana 70560.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - Continued

Bayou Place Development II, LP (BPDII, LP), a discrete component unit, was organized as a limited partnership to develop, construct, own, maintain and operate a 25-unit housing complex for rental to low-moderate income families known as Bayou Place II. The Authority, through the Corporation, is the managing general partner of BPDII, LP. Because BPDII, LP is fiscally dependent on the Authority, and the existence of a financial burden relationship with the Authority, BPDII, LP's financial balances and activity as of and for the year ended December 31, 2020 are presented discretely with financial statements of the Authority. BPDII, LP's financial statements as of and for the year ended December 31, 2020 can be obtained by contacting the Authority at 325 North Street, New Iberia, Louisiana 70560.

NOTE C - CASH AND INVESTMENT DEPOSITS

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

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

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

The Housing Authority's cash and cash equivalents consisted of funds held in interest bearing checking accounts totaling \$372,639. The remaining \$350 was held in the form of petty cash or a change fund. Investments consisted of certificates of deposit totaling \$89,440. Cash and investment deposit balances with financial institutions totaled \$650,667 and were secured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$341,927, and collateralized with securities pledged to the Authority in the amount of \$308,740.

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

Unrestricted and restricted cash balances of the Partnerships totaled \$665,067 and were secured by the FDIC as of December 31, 2020.

NOTE D - RESTRICTED CASH

The Authority's restricted cash balance of \$71,806 consisted of unearned grant proceeds.

The Partnerships' restricted cash consisted of the following as of December 31, 2020:

Operating reserves	\$	123,595
Replacement reserves		187,672
Cash held for real estate taxes and insurance		42,609
Total Restricted Cash	\$	353,876

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE E – SIGNIFICANT ESTIMATES

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

NOTE F – CONCENTRATION OF RISK

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

NOTE G – RISK MANAGEMENT

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

NOTE H – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of March 31, 2021:

	<u>Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Tenant Rent Receivables	\$ 121,830	\$ (109,574)	\$ 12,256
Grants due from HUD	5,366	-	5,366
Grants due from the State	21,338	-	21,338
Fiscal Year 2014 Legal Settlement Receivable due from the City	<u>20,228</u>	<u>-</u>	<u>20,228</u>
Total Receivables, Net of Allowances	<u><u>\$ 168,762</u></u>	<u><u>\$ (109,574)</u></u>	<u><u>\$ 59,188</u></u>

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – CAPITAL ASSETS

The Authority's capital asset balances and activity as of and for the fiscal year ended March 31, 2021 are summarized as follows:

	<u>April 1, 2020</u> <u>Balance</u>	<u>Additions</u>	<u>Transfers &</u> <u>Deletions</u>	<u>March 31, 2021</u> <u>Balance</u>
Land	\$ 222,593	\$ -	\$ -	\$ 222,593
Total Assets not being depreciated	222,593	-	-	222,593
Buildings and Improvements	14,143,389	4,449	-	14,147,838
Furniture and Equipment	326,426	-	-	326,426
Total Capital Assets	14,692,408	4,449	-	14,696,857
Less Accumulated Depreciation				
Buildings and Improvements	(12,201,085)	(258,361)	-	(12,459,446)
Furniture and Equipment	(326,426)	-	-	(326,426)
Net Book Value	\$ 2,164,897	\$ (253,912)	\$ -	\$ 1,910,985

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – CAPITAL ASSETS - Continued

The Partnerships' capital asset balances as of December 31, 2020 are summarized as follows:

	<u>BPD I, LP</u>	<u>BPD II, LP</u>	<u>TOTAL</u>
Land	\$ 63,858	\$ 264,677	\$ 328,535
Buildings and Improvements	3,332,048	4,158,909	7,490,957
Furniture and Equipment	95,106	115,465	210,571
Less: Accumulated Depreciation	<u>(1,195,911)</u>	<u>(1,496,557)</u>	<u>(2,692,468)</u>
Total Capital Assets	<u>\$ 2,295,101</u>	<u>\$ 3,042,494</u>	<u>\$ 5,337,595</u>

The Partnerships' capital asset activity for the year ended December 31, 2020 is summarized as follows:

	<u>January 1, 2020</u> <u>Balance</u>	<u>Additions</u>	<u>Transfers &</u> <u>Deletions</u>	<u>December 31, 2020</u> <u>Balance</u>
Land	\$ 328,535	\$ -	\$ -	\$ 328,535
Total Assets not being Depreciated	328,535	-	-	328,535
Buildings and Improvements	7,490,957	-	-	7,490,957
Furniture and Equipment	<u>210,571</u>	<u>-</u>	<u>-</u>	<u>210,571</u>
Total Capital Assets	8,030,063	-	-	8,030,063
Less Accumulated Depreciation	<u>(2,484,959)</u>	<u>(207,509)</u>	<u>-</u>	<u>(2,692,468)</u>
Net Book Value	<u>\$ 5,545,104</u>	<u>\$ (207,509)</u>	<u>\$ -</u>	<u>\$ 5,337,595</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE J – FEES RECEIVABLE FROM THE PARTNERSHIPS

A summary of the Authority's fees receivable from the Partnerships as of March 31, 2021 is as follows:

Due from Bayou Place Development I, LP			
Developer Fee Receivable	\$	322,673	
Management Fee Receivable		95,087	
Allowance for Doubtful Accounts		(417,760)	-
			<hr/>
Due from Bayou Place Development II, LP			
Developer Fee Receivable		415,881	
Management Fee Receivable		90,829	
Allowance for Doubtful Accounts		(506,710)	-
			<hr/>
Fees Receivable, Net of Allowances			\$ -
			<hr/> <hr/>

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

NOTE K – DEFINED CONTRIBUTION RETIREMENT PLAN

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

During fiscal year 2020, employees contributed \$6,840 and the Authority made the required contributions in the amount of \$9,252. There were no significant unpaid retirement liabilities outstanding as of March 31, 2021.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – LONG TERM LIABILITIES

Employees earn vacation and sick time annually, in accordance with Louisiana Civil Service regulations. Employees may accumulate and carry-over up to three hundred hours of annual leave. The Authority's leave liability accrual is divided and reported between current and non-current liabilities in the Statement of Net Position and is summarized as of March 31, 2021 as follows:

	<u>April 1,</u> <u>2020 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>March 31,</u> <u>2021 Balance</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ 20,820	\$ 9,322	\$ 3,436	\$ 26,706	\$ 4,173
Less: Current portion	<u>(5,552)</u>			<u>(4,173)</u>	
Long Term Liability	<u>\$ 15,268</u>			<u>\$ 22,533</u>	

Mortgage Payable (BPDI, LP)

In January of 2010, BPDI, LP obtained a non-recourse mortgage loan from Pacific Life Insurance in the amount of \$422,297 to finance the Bayou Place housing complex. The loan is collateralized by the applicable dwelling property and bears interest at 6.91%. The loan requires monthly principal and interest payments of \$2,784 with a balloon payment due upon maturity in February of 2028. Interest expense incurred on the loan during 2020 was \$25,041 and the outstanding principal balance as of December 31, 2020 was \$354,410. Future projected debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Principal</u> <u>Balance Due</u>
2021	\$ 9,207	\$ 24,201	\$ 345,203
2022	9,863	23,545	335,340
2023	10,566	22,842	324,774
2024	11,320	22,088	313,454
2025	12,128	21,280	301,326
2026 - 2028	<u>301,326</u>	<u>43,058</u>	<u>-</u>
	<u>\$ 354,410</u>	<u>\$ 157,014</u>	<u>\$ -</u>

The principal balance of the loan reported in the Statement of Net Position is reduced by debt issuance costs, net of accumulated amortization, of \$12,410 as of December 31, 2020. Amortization expense incurred during 2020 on the applicable debt issuance costs of \$1,048 was added to interest expense reported in the Statement of Revenues, Expenses and Changes in Net Position.

Developer Fee (BPDI, LP)

In exchange for construction oversight services provided by the Authority during the development of Bayou Place, the Partnership entered into a Development Services Agreement with the Authority in the amount of \$410,000. No developer fees were paid to the Authority during 2020. The outstanding developer fee payable to the Authority from BPDI, LP as of December 31, 2020 was \$322,673.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – LONG TERM LIABILITES - Continued

Partnership Management Fee (BPDI, LP)

During 2020, the Partnership incurred management fees payable to the Authority (through the Corporation) of \$9,275. Outstanding management fees payable to the Authority (through the Corporation) were \$95,087 as of December 31, 2020.

Mortgage Payable (BPDII, LP)

In January of 2010, BPDII, LP obtained a non-recourse mortgage loan from Pacific Life Insurance in the amount of \$353,943 to finance the Bayou Place II housing complex. The loan is collateralized by the applicable dwelling property and bears interest at 6.91%. The loan requires monthly principal and interest payments of \$2,333 with a balloon payment due upon maturity in February of 2028. Interest expense incurred on the loan during 2019 was \$20,990 and the outstanding principal balance as of December 31, 2020 was \$297,043. Future projected debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Principal Balance Due</u>
2021	\$ 7,717	\$ 20,279	\$ 289,326
2022	8,262	19,734	281,064
2023	8,851	19,145	272,213
2024	9,482	18,514	262,731
2025	10,159	17,837	252,572
2026 - 2028	252,572	36,098	-
	<u>\$ 297,043</u>	<u>\$ 131,607</u>	<u>\$ -</u>

The principal balance of the loan reported in the Statement of Net Position is reduced by debt issuance costs, net of accumulated amortization, of \$12,410 as of December 31, 2020. Amortization expense incurred during 2019 on the applicable debt issuance costs of \$1,048 was added to interest expense reported in the Statement of Revenues, Expenses and Changes in Net Position.

Developer Fee (BPDII, LP)

In exchange for construction oversight services provided by the Authority during the development of Bayou Place II, the Partnership entered into a Development Services Agreement with the Authority in the amount of \$600,000. No developer fees were paid to the Authority during 2020. The outstanding developer fee payable to the Authority from BPDI, LP as of December 31, 2020 was \$415,881.

Partnership Management Fee (BPDII, LP)

During 2020, the Partnership incurred management fees payable to the Authority (through the Corporation) of \$8,859. Outstanding management fees payable to the Authority (through the Corporation) were \$90,829 as of December 31, 2020.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – LONG TERM LIABILITES - Continued

A summary of the Partnerships' liabilities detailed above and other long-term liabilities as of December 31, 2020 is as follows:

	<u>January 1,</u> <u>2020 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31,</u> <u>2020 Balance</u>	<u>Due Within</u> <u>One Year</u>
Permanent Mortgages Payable	\$ 640,335	\$ -	\$ 13,702	\$ 626,633	\$ 16,924
Developer Fees Payable to the Authority	738,554	-	-	738,554	-
Partnership Management Fee Payable to the Authority	167,782	18,134	-	185,916	-
Asset Management Fee Payable	50,986	7,127	7,127	50,986	-
Less: Current portion	<u>(14,746)</u>			<u>(16,924)</u>	
Long Term Liabilities	<u>\$ 1,582,911</u>			<u>\$ 1,585,165</u>	<u>\$ 16,924</u>

NOTE M - CONTRACTUAL COMMITMENTS

The Authority's outstanding contractual commitments as of March 31, 2021, were as follows:

Type of Commitment:

Repairs and Maintenance	\$ 27,650
Managerial and Administrative	<u>81,195</u>
Total Outstanding Contractual Commitments	<u>\$ 108,845</u>

Outstanding managerial and administrative contracts disclosed above include an Inter-Agency Management Agreement between the Authority and The Housing Authority of St. John the Baptist Parish (SJBPHA) dated October 1, 2020, under which the SJBPHA has provided executive management and consulting services to the Authority for a monthly fee of \$3,800. Management fees incurred during fiscal year 2021 totaled \$22,800. The Agreement expired in May of 2021. \$7,600 remained outstanding under the Agreement as of fiscal year-end, for the months of April and May of 2021, and is included in the table above.

NOTE N – COMMITMENTS AND CONTINGENCIES

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE O – DIFFERENT REPORTING STANDARDS

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

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

With financial statement preparation in accordance with GAGAS, including the adoption of GASBS No. 65, the Discrete Component Units' liabilities would have been \$24,820 more than (and net position less than) what is currently being reported in these financial statements. Additionally, the expenses reported in the Statement of Revenues, Expenses and Changes in Net Position would have excluded \$2,096 of amortization which has been added to interest expense in these financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE P – DISCRETE COMPONENT UNITS – CONDENSED FINANCIAL STATEMENTS

Condensed Statement of Net Position

	BPD I, LP 12/31/2020	BPD II, LP 12/31/2020	Elimination	Total DCU's 12/31/2020
Assets				
Current and restricted assets	\$ 304,613	\$ 373,311	\$ -	\$ 677,924
Capital assets	2,295,101	3,042,494	-	5,337,595
Other assets due from BPD I, LP	-	13,513	(13,513)	-
Other assets	30,937	30,294	-	61,231
Total assets	2,630,651	3,459,612	(13,513)	6,076,750
Liabilities				
Current liabilities	25,441	21,613	-	47,054
Non-current liabilities	358,286	302,409	-	660,695
Non-current liabilities due to BPD II, LP	13,513	-	(13,513)	-
Non-current liabilities due to the Authority	417,760	506,710	-	924,470
Total liabilities	815,000	830,732	(13,513)	1,632,219
Net position				
Net investment in capital assets	1,630,428	2,341,980	-	3,972,408
Restricted net position	179,232	174,644	-	353,876
Unrestricted net position	5,991	112,256	-	118,247
Total net position	\$ 1,815,651	\$ 2,628,880	\$ -	\$ 4,444,531

Condensed Statement of Revenues, Expenses and Changes in Net Position

	BPD I, LP 12/31/2020	BPD II, LP 12/31/2020	Elimination	Total DCU's 12/31/2020
Revenues				
Operating revenue	\$ 190,398	\$ 187,794	\$ -	\$ 378,192
Interest income	786	1,022	-	1,808
Total revenues	191,184	188,816	-	380,000
Expenses				
Operating expenses	232,908	246,150	-	479,058
Operating Expenses to the Authority	9,275	8,859	-	18,134
Interest Expense	26,089	22,038	-	48,127
Total expenses	268,272	277,047	-	545,319
Decrease of net position	(77,088)	(88,231)	-	(165,319)
Beginning net position	1,892,739	2,717,111	-	4,609,850
Ending net position	\$ 1,815,651	\$ 2,628,880	\$ -	\$ 4,444,531

NOTES TO FINANCIAL STATEMENTS - CONTINUED

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

Condensed Statement of Cash Flows

	BPD I, LP 12/31/2020	BPD II, LP 12/31/2020	Elimination	Total DCU's 12/31/2020
From all operating activities	\$ 52,079	\$ 58,493	\$ -	\$ 110,572
Used by all capital activities	(33,409)	(28,002)	-	(61,411)
From all investing activities	786	1,022	-	1,808
Net increase in cash and equivalents	19,456	31,513	-	50,969
Beginning current and restricted cash	278,245	335,853	-	614,098
Ending current and restricted cash	\$ 297,701	\$ 367,366	\$ -	\$ 665,067

NOTE Q – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through September 28, 2021, the date the financial statements were available to be issued.

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
 FOR THE YEAR ENDED MARCH 31, 2021**

	Capital Fund Program LA48P02750115	Capital Fund Program LA48P02750116	Capital Fund Program LA48P02750117
Funds Approved	\$ 226,013	\$ 238,840	\$ 259,870
Funds Expended	<u>226,013</u>	<u>238,840</u>	<u>259,870</u>
Excess of Funds Approved	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Funds Advanced	\$ 226,013	\$ 238,840	\$ 259,870
Funds Expended	<u>226,013</u>	<u>238,840</u>	<u>259,870</u>
Excess of Funds Advanced	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificates submitted to HUD for approval are in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED MARCH 31, 2021

EXPENDITURES

Public Housing Program	
Total CFDA Number 14.850a	<u>\$ 464,921</u>
Public Housing CARES Act Funding	
Total CFDA Number 14.PHC	<u>16,779</u>
Capital Fund Program	
Total CFDA Number 14.872	<u>36,809</u>
TOTAL HUD EXPENDITURES	<u>518,509</u>
TOTAL FEDERAL EXPENDITURES	<u><u>\$ 518,509</u></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, 2021. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
111 Cash - Unrestricted	\$ 262,691	\$ -	\$ 602	\$ -	\$ 263,293	\$ 286,590	549,883
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	71,806	-	-	71,806	353,876	425,682
114 Cash - Tenant Security Deposits	37,890	-	-	-	37,890	24,601	62,491
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-
100 Total Cash	\$ 300,581	\$ 71,806	\$ 602	\$ -	\$ 372,989	\$ 665,067	\$ 1,038,056
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	5,366	-	-	-	5,366	-	5,366
124 Accounts Receivable - Other Government	21,338	-	-	-	21,338	-	21,338
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-
126 Accounts Receivable - Tenants	121,830	-	-	-	121,830	-	121,830
126.1 Allowance for Doubtful Accounts -Tenants	(109,574)	-	-	-	(109,574)	-	(109,574)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	10,000	-	-	-	10,000	-	10,000
128 Fraud Recovery	-	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
129 Accrued Interest Receivable	457	-	-	-	457	-	457
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 49,417	\$ -	\$ -	\$ -	\$ 49,417	\$ -	\$ 49,417
131 Investments - Unrestricted	89,440	-	-	-	89,440	-	89,440
132 Investments - Restricted	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	195,790	-	-	-	195,790	12,857	208,647
143 Inventories	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-	-
150 Total Current Assets	\$ 635,228	\$ 71,806	\$ 602	\$ -	\$ 707,636	\$ 677,924	\$ 1,385,560
161 Land	222,593	-	-	-	222,593	328,535	551,128

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
162 Buildings	10,995,666	-	-	-	10,995,666	6,681,602	17,677,268
163 Furniture, Equipment & Machinery - Dwellings	137,523	-	-	-	137,523	210,571	348,094
164 Furniture, Equipment & Machinery - Administration	188,903	-	-	-	188,903	-	188,903
165 Leasehold Improvements	3,152,172	-	-	-	3,152,172	809,355	3,961,527
166 Accumulated Depreciation	(12,785,872)	-	-	-	(12,785,872)	(2,692,468)	(15,478,340)
167 Construction in Progress	-	-	-	-	-	-	-
168 Infrastructure	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 1,910,985	\$ -	\$ -	\$ -	\$ 1,910,985	\$ 5,337,595	\$ 7,248,580
171 Notes, Loans and Mortgages Receivable - Non-Current	10,228	-	-	-	10,228	-	10,228
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	61,231	61,231
176 Investments in Joint Ventures	-	-	-	-	-	-	-
180 Total Non-Current Assets	\$ 1,921,213	\$ -	\$ -	\$ -	\$ 1,921,213	\$ 5,398,826	\$ 7,320,039
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 2,556,441	\$ 71,806	\$ 602	\$ -	\$ 2,628,849	\$ 6,076,750	\$ 8,705,599
311 Bank Overdraft	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	303,625	-	-	-	303,625	-	303,625
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	923	-	-	-	923	-	923
322 Accrued Compensated Absences - Current Portion	4,173	-	-	-	4,173	-	4,173
324 Accrued Contingency Liability	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	3,723	3,723
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-
341 Tenant Security Deposits	37,890	-	-	-	37,890	24,601	62,491

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
342 Unearned Revenue	1,643	71,806	-	-	73,449	1,806	75,255
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	16,924	16,924
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-
345 Other Current Liabilities	69,952	-	-	-	69,952	-	69,952
346 Accrued Liabilities - Other	4,842	-	-	-	4,842	-	4,842
347 Inter Program - Due To	-	-	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-	-	-
310 Total Current Liabilities	\$ 423,048	\$ 71,806	\$ -	\$ -	\$ 494,854	\$ 47,054	\$ 541,908
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	1,348,263	1,348,263
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	236,902	236,902
354 Accrued Compensated Absences - Non Current	22,533	-	-	-	22,533	-	22,533
355 Loan Liability - Non Current	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 22,533	\$ -	\$ -	\$ -	\$ 22,533	\$ 1,585,165	\$ 1,607,698
300 Total Liabilities	\$ 445,581	\$ 71,806	\$ -	\$ -	\$ 517,387	\$ 1,632,219	\$ 2,149,606
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	1,910,985	-	-	-	1,910,985	3,972,408	5,883,393
511.4 Restricted Net Position	-	-	-	-	-	353,876	353,876
512.4 Unrestricted Net Position	199,875	-	602	-	200,477	118,247	318,724
513 Total Equity - Net Assets / Position	\$ 2,110,860	\$ -	\$ 602	\$ -	\$ 2,111,462	\$ 4,444,531	\$ 6,555,993
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 2,556,441	\$ 71,806	\$ 602	\$ -	\$ 2,628,849	\$ 6,076,750	\$ 8,705,599

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
70300 Net Tenant Rental Revenue	\$ 224,610	\$ -	\$ -	\$ -	\$ 224,610	\$ 360,099	584,709
70400 Tenant Revenue - Other	57,620	-	-	-	57,620	8,141	65,761
70500 Total Tenant Revenue	\$ 282,230	\$ -	\$ -	\$ -	\$ 282,230	\$ 368,240	\$ 650,470
70600 HUD PHA Operating Grants	501,730	16,779	-	-	518,509	-	518,509
70610 Capital Grants	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-
70700 Total Fee Revenue	\$ 501,730	\$ 16,779	\$ -	\$ -	\$ 518,509	\$ -	\$ 518,509
70800 Other Government Grants	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	799	-	1	-	800	1,808	2,608
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	14,744	-	-	-	14,744	9,952	24,696
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-	-
70000 Total Revenue	\$ 799,503	\$ 16,779	\$ 1	\$ -	\$ 816,283	\$ 380,000	\$ 1,196,283
91100 Administrative Salaries	49,515	-	-	-	49,515	32,064	81,579
91200 Auditing Fees	-	-	-	-	-	13,500	13,500
91300 Management Fee	-	-	-	-	-	22,337	22,337
91310 Book-keeping Fee	-	-	-	-	-	-	-
91400 Advertising and Marketing	3,067	-	-	-	3,067	760	3,827
91500 Employee Benefit contributions - Administrative	11,165	-	-	-	11,165	2,992	14,157
91600 Office Expenses	35,060	2,629	-	-	37,689	9,950	47,639

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
91700 Legal Expense	3,785	-	-	-	3,785	-	3,785
91800 Travel	2,576	-	-	-	2,576	-	2,576
91810 Allocated Overhead	-	-	-	-	-	-	-
91900 Other	44,980	-	-	-	44,980	1,636	46,616
91000 Total Operating - Administrative	\$ 150,148	\$ 2,629	\$ -	\$ -	\$ 152,777	\$ 83,239	\$ 236,016
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
92400 Tenant Services - Other	-	-	-	-	-	-	-
92500 Total Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93100 Water	40,280	-	-	-	40,280	534	40,814
93200 Electricity	69,297	-	-	-	69,297	3,887	73,184
93300 Gas	-	-	-	-	-	-	-
93400 Fuel	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-
93600 Sewer	52,118	-	-	-	52,118	-	52,118
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-
93000 Total Utilities	\$ 161,695	\$ -	\$ -	\$ -	\$ 161,695	\$ 4,421	\$ 166,116
94100 Ordinary Maintenance and Operations - Labor	94,605	-	-	-	94,605	31,818	126,423
94200 Ordinary Maintenance and Operations - Materials and Other	19,791	12,717	-	-	32,508	12,797	45,305
94300 Ordinary Maintenance and Operations Contracts	96,516	1,433	-	-	97,949	70,967	168,916
94500 Employee Benefit Contributions - Ordinary Maintenance	38,040	-	-	-	38,040	2,992	41,032
94000 Total Maintenance	\$ 248,952	\$ 14,150	\$ -	\$ -	\$ 263,102	\$ 118,574	\$ 381,676
95100 Protective Services - Labor	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	1,546	-	-	-	1,546	-	1,546

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
95300 Protective Services - Other	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-
95000 Total Protective Services	\$ 1,546	\$ -	\$ -	\$ -	\$ 1,546	\$ -	\$ 1,546
96110 Property Insurance	141,580	-	-	-	141,580	50,711	192,291
96120 Liability Insurance	15,341	-	-	-	15,341	-	15,341
96130 Workmen's Compensation	15,364	-	-	-	15,364	1,694	17,058
96140 All Other Insurance	17,160	-	-	-	17,160	-	17,160
96100 Total insurance Premiums	\$ 189,445	\$ -	\$ -	\$ -	\$ 189,445	\$ 52,405	\$ 241,850
96200 Other General Expenses	657	-	-	-	657	30,994	31,651
96210 Compensated Absences	9,322	-	-	-	9,322	-	9,322
96300 Payments in Lieu of Taxes	10,550	-	-	-	10,550	-	10,550
96400 Bad debt - Tenant Rents	117,789	-	-	-	117,789	50	117,839
96500 Bad debt - Mortgages	-	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-	-
96000 Total Other General Expenses	\$ 138,318	\$ -	\$ -	\$ -	\$ 138,318	\$ 31,044	\$ 169,362
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	48,127	48,127
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,127	\$ 48,127
96900 Total Operating Expenses	\$ 890,104	\$ 16,779	\$ -	\$ -	\$ 906,883	\$ 337,810	\$ 1,244,693
97000 Excess of Operating Revenue over Operating Expenses	\$ (90,601)	\$ -	\$ 1	\$ -	\$ (90,600)	\$ 42,190	\$ (48,410)
97100 Extraordinary Maintenance	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-	-	-	-

Housing Authority of the City of New Iberia (LA027)

NEW IBERIA, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 03/31/2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	ELIM	Total Enterprise Fund	6.1 Component Unit - Discretely Presented	Total Reporting Entity
97350 HAP Portability-In	-	-	-	-	-	-	-
97400 Depreciation Expense	258,361	-	-	-	258,361	207,509	465,870
97500 Fraud Losses	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-
90000 Total Expenses	\$ 1,148,465	\$ 16,779	\$ -	\$ -	\$ 1,165,244	\$ 545,319	\$ 1,710,563
10010 Operating Transfer In	36,809	-	-	(36,809)	-	-	-
10020 Operating transfer Out	(36,809)	-	-	36,809	-	-	-
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (348,962)	\$ -	\$ 1	\$ -	\$ (348,961)	\$ (165,319)	\$ (514,280)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,924	\$ 16,924
11030 Beginning Equity	\$ 2,459,822	\$ -	\$ 601	\$ -	\$ 2,460,423	\$ 4,609,850	\$ 7,070,273
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	2,400	-	-	-	2,400	600	3,000
11210 Number of Unit Months Leased	1,255	-	-	-	1,255	600	1,855
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	-	-	-	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	4,449	-	-	-	4,449	-	4,449
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2021

Section I: Summary of Auditor's Results:

FINANCIAL STATEMENTS

Type of auditor's report issued:

Enterprise Fund - Qualified

Aggregate Discretely Presented Component Units - Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes No

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

Yes None
 Reported

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

Yes No

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2021

Section II: Audit Findings:

Summary Schedule of Prior Year Findings:

Finding 2020-001 – State of Louisiana Audit Deadline Not Met

Condition

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

Current Year Status

The Authority completed its annual audit within six months of its fiscal year-end. This Finding is not restated.

Finding 2020-002 – Lack of Execution of Internal Controls Over Processing Purchases and Payments

Condition

Out of an initial sample of forty disbursements from the Authority's operating checking account, the following exceptions were noted:

Two of the payments lacked invoice support in the amounts of \$138 and \$305.

Thirty-six checks lacked a second authorized signature.

Current Year Status

This Finding is restated as Current Year Finding 2021-001.

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2021

Section II: Audit Findings - Continued:

Summary Schedule of Prior Year Findings - Continued:

Finding 2020-003 – Failure to Accrue Year-End Liabilities

Condition

The Authority did not accrue \$163,410 of liabilities during its fiscal year-end close.

Current Year Status

This Finding is restated as Current Year Finding 2021-002.

Finding 2020-004 – Lack of Execution of Internal Controls Over the Federal ‘Allowable Costs’ Requirement

Condition

See Prior Year Finding 2020-002 (above).

Current Year Status

This Finding is restated as Current Year Finding 2021-001.

Finding 2020-005 – Lack of Data Available to Audit the Federal ‘Eligibility’ Requirement

Condition

We were unable to attain sufficient data in order to test the Authority’s execution of controls over the federal ‘Eligibility’ requirement. Further, we were unable to attain sufficient data in order to test the Authority’s compliance with the federal ‘Eligibility’ requirement.

Current Year Status

We were able to attain sufficient data in order to test the Authority’s compliance with the federal ‘Eligibility’ requirement. However, annual re-examinations sampled were not performed timely. This Finding is restated as Current Year Finding 2021-003.

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2021

Section II: Audit Findings - Continued:

Summary Schedule of Prior Year Findings - Continued:

Finding 2020-006 – Lack of Data Available to Audit the Federal ‘Procurement’ Requirement

Condition

We were unable to attain sufficient data in order to test the Authority’s execution of controls over the federal ‘Procurement’ requirement. Further, we were unable to attain sufficient data in order to test the Authority’s compliance with the federal ‘Procurement’ requirement.

Current Year Status

We were able to attain sufficient data in order to test the Authority’s compliance with the federal ‘Procurement’ requirement. This Finding is not restated.

Finding 2020-007 – Lack of Data Available to Audit the Federal ‘Special Tests and Provisions’ Requirement

Condition

We were unable to attain sufficient data in order to test the Authority’s execution of controls over the federal Waiting List, Declaration of Trust and Depository Agreement provisions of the ‘Special Tests and Provisions’ requirement. Further, we were unable to attain sufficient data in order to test the Authority’s compliance with the federal Waiting List, Declaration of Trust and Depository Agreement provisions of the ‘Special Tests and Provisions’ requirement.

Current Year Status

Sufficient data was obtained in order to audit the Authority’s compliance with federal Waiting List and Declaration of Trust provisions. However, the Authority was unable to provide an executed Depository Agreement upon request. This Finding is restated, with respect to the Depository Agreement portion of this Finding, as Current Year Finding 2021-004.

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2021

Section II: Audit Findings - Continued:

Current Year Findings and Questioned Costs:

Finding 2021-001 – Lack of Execution of Internal Controls Over Processing Payments (Material Weakness)

Criteria

Internal controls over processing vendor purchases and payments should ensure that purchases are properly authorized and that payments are reviewed, approved and accounted-for accurately.

Condition

Out of an initial sample of forty-three disbursements from the Authority's operating checking account, the following exception was noted:

Nine checks lacked a second authorized signature.

Cause

Failure to execute controls over expenditures.

Effect

Nine payments were issued without sufficient approval.

Questioned Costs – None noted.

Recommendation

We recommend that the Authority implement and execute strengthened controls over processing payments.

Reply

The Authority has implemented strengthened controls over processing payments prior to the date of this Report. Dr. Janice Wade, Executive Director, has assumed the responsibility continuing to execute the strengthened controls over processing payments as of September 28, 2021.

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2021

Section II: Audit Findings - Continued:

Current Year Findings and Questioned Costs - Continued:

Finding 2021-002 – Failure to Accrue Year-End Liabilities (Material Weakness)

Criteria

Internal controls over the financial period close should include a review and analysis of routine and non-routine transactions occurring during and subsequent to fiscal year-end to ensure they're accounted-for in the correct accounting period.

Condition and Cause

The Authority did not accrue \$161,691 of liabilities during its fiscal year-end close.

Effect

Understatement of accounts payable liability of \$161,691.

Questioned Costs – N/A

Recommendation

We recommend that the Authority accrue all significant liabilities applicable to fiscal year-ends and other applicable reporting periods.

Reply

The Authority will accrue all significant fiscal year-end liabilities. Dr. Janice Wade, Executive Director, will assure that financial personnel account-for all significant liabilities applicable to fiscal year-ends and other applicable reporting periods as of October 31, 2021.

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2021

Section II: Audit Findings - Continued:

Current Year Findings and Questioned Costs - Continued:

Finding 2021-003 – Lack of Controls over Annual Tenant Re-examinations and Assistance Calculations (Material Weakness, Other Matter)

Criteria

Housing Authorities administering rental assistance programs are required to re-examine family eligibility and rental assistance calculations annually.

Condition

Out of a sample of eleven tenant rent calculations, nine rent charges were based on outdated re-examinations.

Cause

Failure to perform annual re-examinations and rent calculations timely.

Effect

Rent charges to tenants based on outdated information.

Questioned Costs – None noted.

Recommendation

We recommend that the Authority perform tenant re-examinations and rent calculations annually.

Reply

The Authority will perform tenant re-examinations and rent calculations annually. Dr. Janice Wade, Executive Director, has assumed the responsibility of executing timely tenant re-examinations and expects re-examinations to be updated by December 31, 2021.

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

MARCH 31, 2021

Section II: Audit Findings - Continued:

Current Year Findings and Questioned Costs - Continued:

Finding 2021-004 – Depository Agreement (Other Matter)

Criteria

Housing Authorities are required to enter into Depository Agreements with their financial institution(s). The Agreements serve as safe-guards for federal funds and provide third-party rights to HUD.

Condition and Cause

The Authority was unable to provide an executed Depository Agreement for audit.

Effect

Potential non-compliance with the federal Depository Agreement provisions.

Questioned Costs – None noted.

Recommendation

We recommend that the Authority maintain and make available for audit an executed Depository Agreement with its bank.

Reply

The Authority will initiate a meeting with its current bank and evaluate other available options for attaining an executed Depository Agreement with a financial institution. Dr. Janice Wade, Executive Director, will provide the Board of Commissioners with available options for attaining an executed Depository Agreement with a financial institution by December 31, 2021.

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

CORRECTIVE ACTION PLAN

MARCH 31, 2021

Finding 2021-001 – Lack of Execution of Internal Controls Over Processing Payments

Corrective Action

The Authority has implemented strengthened controls over processing payments prior to the date of this Report. Dr. Janice Wade, Executive Director, has assumed the responsibility continuing to execute the strengthened controls over processing payments as of September 28, 2021.

Finding 2021-002 – Failure to Accrue Year-End Liabilities

Corrective Action

The Authority will accrue all significant fiscal year-end liabilities. Dr. Janice Wade, Executive Director, will assure that financial personnel account for all significant liabilities applicable to fiscal year-ends and other applicable reporting periods as of October 31, 2021.

Finding 2021-003 – Lack of Controls over Annual Tenant Re-examinations and Assistance Calculations

Corrective Action

The Authority will perform tenant re-examinations and rent calculations annually. Dr. Janice Wade, Executive Director, has assumed the responsibility of executing timely tenant re-examinations and expects re-examinations to be updated by December 31, 2021.

Finding 2021-004 – Depository Agreement

Corrective Action

The Authority will initiate a meeting with its current bank and evaluate other available options for attaining an executed Depository Agreement with a financial institution. Dr. Janice Wade, Executive Director, will provide the Board of Commissioners with available options for attaining an executed Depository Agreement with a financial institution by December 31, 2021.

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

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

YEAR ENDED MARCH 31, 2021

EXPENDITURE PURPOSE

Salary	<u>\$ 28,532</u>
Benefits - Insurance	<u>3,722</u>
Benefits - Retirement	<u>1,925</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 34,179</u></u>

Agency Head: Tisha Moss-Charles, Interim Executive Director (April 1, 2020 through November 13, 2020)

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*.