

**HOUSING AUTHORITY OF
THE CITY OF LAFAYETTE**

Lafayette, Louisiana

Financial Report

Year Ended September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Housing Authority of the City of Lafayette
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Lafayette (the Housing Authority) as of and for the fiscal year ended September 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, the financial statements referred to above present fairly, in all material respects, the respective position of the business-type activities and discretely presented component units of the Housing Authority of the City of Lafayette as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of St. Antoine Gardens, L.P., Villa Gardens, L.P., and Simcoe Development, L.P., which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. 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 St. Antoine Gardens, L.P., Villa Gardens, L.P., and Simcoe Development, L.P. is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 5 to 9 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 general 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 Financial Data Schedules, required by HUD, and supplementary schedules and statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award,*) are presented for purposes of additional analysis and is also not a required part of the basic financial statements. Additionally, the accompanying schedule of Compensation, Benefits and Other Payment to the Executive Director is presented for the Office of the Louisiana Legislative Auditor's information and is not a require 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 Schedules, Schedule of Compensation, Benefits and Other Payments to the Executive Director, and the Schedule of Expenditures of Federal Awards and the supplementary schedules or statements 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 3, 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 Audit Standards* in considering the Authority's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
March 3, 2026

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Lafayette , Louisiana

REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT DISCUSSION AND ANAYLSIS (MD&A)

September 30, 2025

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE, LA
Management's Discussion and Analysis (MD&A)
September 30, 2025

As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended September 30, 2025. Certain comparative information between the current year and prior year is required to be presented in the MD&A.

Financial Highlights

- The assets of the Housing Authority exceeded liabilities at the close of the fiscal year by \$19,755,479 (*net position*). Of this amount, \$12,166,072 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the 2025 fiscal year, the Housing Authority's enterprise funds reported combined ending net position \$19,755,479, an increase of \$521,485. Approximately 62% of this total amount is *available for spending* at the Housing Authority's discretion (*unrestricted net position*).
- The discretely presented component units consist of the St. Antoine Gardens, L.P., Villa Gardens, L.P. and Simcoe Development, L.P. in which the year ended December 31, 2024 was reported. The total operating revenues for the year ended December 31, 2024 were \$1,667,858 and the total operating expenditures were \$3,245,432. The total nonoperating expenses were \$726,085. The change in net positions decreased \$225,876. A copy of the St. Antoine, L.P.'s, Villa Gardens, L.P.'s and Simcoe Development, L.P.'s audit reports may be obtained from the Housing Authority.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements comprise two components: (1) fund financial statements, and (2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Housing Authority is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Fund Financial Statements

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

Using this Annual Report

The Housing Authority's annual report consists of financial statements that show information about the Housing Authority's activities, which include the Public Housing program, Section 8 tenant-based programs, Capital Fund program, and other enterprise activities.

A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Management's Discussion and Analysis (MD&A)
September 30, 2025

Reporting on the Housing Authority as a Whole

One of the most important question asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2025?" The statement of net position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Reporting the Housing Authority's funds

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

Proprietary funds – All of the Housing Authority's services are reported in enterprise funds. They are reported using the full accrual method of accounting in which all assets, liabilities and deferred inflows/outflows of resources associated with the operation of these funds are included in the Statement of Net Position. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Financial Analysis

The Housing Authority's net position totaled \$19,755,479 as of September 30, 2025. Of this amount, \$7,431,862 was invested in capital assets and \$12,166,072 was unrestricted. Also, the Housing Authority reports restricted net position of \$157,545 due to amounts restricted for housing assistance payments (HAP).

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE, LA
Management's Discussion and Analysis (MD&A)
September 30, 2025

Financial Analysis

Condensed Financial Statements

**Condensed Statement of Net Position
September 30, 2025 and 2024**

	2025	2024	Variance
ASSETS			
Current assets	\$ 6,935,657	\$ 6,996,015	\$ (60,358)
Restricted current assets	330,170	366,549	(36,379)
Capital assets, net of depreciation	7,431,862	6,821,042	610,820
Non current assets	<u>9,311,274</u>	<u>9,285,320</u>	<u>25,954</u>
Total assets	<u>24,008,963</u>	<u>23,468,926</u>	<u>540,037</u>
LIABILITIES			
Current liabilities	3,846,564	3,745,293	101,271
Current liabilities, payable from current restricted assets	94,914	88,647	6,267
Non-current liabilities	<u>312,006</u>	<u>400,992</u>	<u>(88,986)</u>
Total liabilities	<u>4,253,484</u>	<u>4,234,932</u>	<u>18,552</u>
NET POSITION			
Invested in capital assets, net of depreciation	7,431,862	6,764,266	667,596
Restricted	157,545	250,089	(92,544)
Unrestricted net position	<u>12,166,072</u>	<u>12,219,639</u>	<u>(53,567)</u>
Total net position	<u>\$ 19,755,479</u>	<u>\$ 19,233,994</u>	<u>\$ 521,485</u>

The net position of these funds was \$19,755,479 at September 30, 2025, an increase of \$521,485, or by 2.7%, from those of fiscal year 2024. Of this amount \$12,166,072 was unrestricted. Our analysis above focuses on the net position and the change in net position of the Housing Authority as a whole.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE, LA
Management's Discussion and Analysis (MD&A)
September 30, 2025

**Condensed Statement of Revenues, Expenses
and Changes in Fund Net Position
Years Ended September 30, 2025 and 2024**

	2025	2024	Variance
OPERATING REVENUES			
Dwelling rental	\$ 942,260	\$ 948,559	(6,299)
Other	722,930	1,871,073	(1,148,143)
Federal grants	19,464,918	17,459,621	2,005,297
Fraud recovery	19,044	13,340	5,704
Total operating revenues	21,149,152	20,292,593	856,559
OPERATING EXPENSES			
Administration	2,861,199	2,629,918	231,281
Tenant services	23,549	88,240	(64,691)
Utilities	433,216	398,046	35,170
Maintenance	1,716,623	1,917,002	(200,379)
Protective services	10,137	135,623	(125,486)
General expenses	1,620,523	1,983,285	(362,762)
Housing assistance payments	13,939,653	12,884,769	1,054,884
Depreciation and amortization	543,631	498,119	45,512
Total operating expenses	21,148,531	20,535,002	613,529
Income (loss) from operations	621	(242,409)	243,030
NON-OPERATING REVENUES (EXPENSES)			
Interest income	75,284	97,796	(22,512)
Insurance proceeds	162,006	167,289	(5,283)
Investment income	283,574	446,700	(163,126)
Total non-operating revenues (expenses)	520,864	711,785	(190,921)
Income (loss) before special items	521,485	469,376	52,109
SPECIAL ITEM	-	2,770,000	(2,770,000)
CHANGES IN NET POSITION	\$ 521,485	\$ 3,239,376	\$ (2,717,891)
NET POSITION - BEGINNING (Note 11)	19,233,994	15,994,618	
NET POSITION - ENDING	\$ 19,755,479	\$ 19,233,994	

Total revenues, operating and non-operating, increased \$665,638:

- Dwelling rental decreased \$6,299.
- Other revenue decreased \$1,148,143, due mainly to decrease in Simcoe developer fees (\$707,470), mortgage interest (\$163,126), and various miscellaneous amounts totaling (\$277,547).
- Federal Grants increased \$2,005,297 due mainly to an increase of \$868,486 in the housing choice voucher programs (HCV, EHV and Mainstream) and \$1,091,159 in the capital fund grant (CFP).
- Investment income decreased \$163,126.

Additionally, the total special items decreased by (\$2,770,000) due to prior year modification of note receivable from Simcoe Development, LP component unit.

Total expenses increased \$627,474:

- Administration increased \$ 231,281 related to increased salaries and benefits and consulting costs.
- Maintenance expenses decreased \$200,379 due mainly to decreased costs associated with temporary workers, landscaping contracts and unit turnaround costs.
- Housing assistance payments increased \$1,054,884, offsetting the increase in revenues.
- General expenses decreased \$362,762 due to decreases in bad debt and compensated absences.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE, LA
Management’s Discussion and Analysis (MD&A)
September 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2025, the Housing Authority had \$7,431,862 invested in a broad range of capital assets, including, land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$610,820 or 9% between 2025 and 2024. See Note 3 to the financial statements for more detail on capital assets.

**Statement of Capital Assets
As of September 30, 2025**

	2025	2024
Land	\$ 964,417	\$ 964,417
Site improvements and buildings	23,014,108	22,233,615
Furniture and equipment	793,716	712,124
Construction in Progress	1,042,449	750,093
	25,814,690	24,660,249
Accumulated depreciation	(18,382,828)	(17,839,207)
Total	\$ 7,431,862	\$ 6,821,042

Debt

Our long-term debt includes accrued annual vacation and sick leave (compensated absences payable) as of September 30, 2025, in the amount of \$312,006. We present more details about our long-term liabilities in Note 6 to the financial statements.

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions.

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

Contacting the Housing Authority’s Financial Management

Our financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Housing Authority’s finances and to show the Housing Authority’s accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Ms. Latweeta Smyers, Executive Director, at the Housing Authority of the City of Lafayette, 115 Kattie Drive, Lafayette, Louisiana 70501, telephone number (337) 233-1331.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
LAFAYETTE, LOUISIANA

ENTERPRISE FUNDS
STATEMENT OF NET POSITION
September 30, 2025

EXHIBIT A

ASSETS	<u>PRIMARY GOVERNMENT</u>	<u>DISCRETE COMPONENT UNITS</u>
Current assets		
Cash and cash equivalents	\$ 5,518,359	\$ 85,097
Accounts receivable other government	44,295	-
Accounts receivable HUD	160,808	-
Accounts receivable tenants, net	14,124	32,582
Accounts receivable, miscellaneous, net	723,050	-
Prepaid items and other assets	412,688	155,320
Inventory	62,333	-
Restricted deposits	<u>330,170</u>	<u>888,255</u>
Total Current Assets	<u>7,265,827</u>	<u>1,161,254</u>
Noncurrent Assets		
Other assets	9,311,274	96,659
Capital assets, net		
Land and construction in progress	2,006,866	521,324
Buildings, improvements, equipment and infrastructure (net of accumulated depreciation)	<u>5,424,996</u>	<u>32,991,490</u>
Total Noncurrent Assets	<u>16,743,136</u>	<u>33,609,473</u>
Total assets	<u>\$ 24,008,963</u>	<u>\$ 34,770,727</u>

(Continued)

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

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
LAFAYETTE, LOUISIANA

ENTERPRISE FUNDS
STATEMENT OF NET POSITION
September 30, 2025

EXHIBIT A

	<u>PRIMARY GOVERNMENT</u>	<u>DISCRETE COMPONENT UNITS</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 380,230	\$ 1,064,466
Payable to other governments	67,174	-
Unearned revenue	14,741	9,287
Due to related party	-	327,394
Interest payable	-	10,729
HUD liability	140,397	-
Current portion of compensated absences	208,005	-
Other liabilities	3,036,017	-
Current portion of long-term debt	-	114,864
Deposits due others	<u>94,914</u>	<u>70,020</u>
Total Current Liabilities	<u>3,941,478</u>	<u>1,596,760</u>
Noncurrent liabilities		
Compensated absences payable	312,006	-
Note payable to primary government	-	10,079,452
Interest payable to primary government	-	2,399,316
Interest payable to developer	-	54,673
Fee payable	-	299,217
Due to primary government	-	550,458
Unearned developer fee payable to primary government	-	97,456
Long-term debt	<u>-</u>	<u>13,216,608</u>
Total Noncurrent Liabilities	<u>312,006</u>	<u>26,697,180</u>
TOTAL LIABILITIES	<u>4,253,484</u>	<u>28,293,940</u>
NET POSITION		
Net investment in capital assets	7,431,862	8,387,400
Restricted	157,545	-
Unrestricted	<u>12,166,072</u>	<u>(1,910,613)</u>
TOTAL NET POSITION	<u>\$ 19,755,479</u>	<u>\$ 6,476,787</u>

(concluded)

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
LAFAYETTE, LOUISIANA

ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended September 30, 2025

EXHIBIT B

	PRIMARY GOVERNMENT	DISCRETE COMPONENT UNITS
Operating Revenues:		
Dwelling rental	\$ 942,260	\$ 1,667,858
Other operating	722,930	-
Federal grants	19,464,918	-
Fraud recovery	19,044	-
Total operating revenues	21,149,152	1,667,858
Operating Expenses:		
Administration	2,861,199	597,292
Tenant services	23,549	-
Utilities	433,216	317,338
Maintenance	1,716,623	505,676
Protective services	10,137	-
General expenses	1,620,523	522,513
Housing assistance payments	13,939,653	-
Depreciation and amortization	543,631	1,302,613
Total operating expenses	21,148,531	3,245,432
Operating income (loss)	621	(1,577,574)
Nonoperating revenues (expenses)		
Interest income	75,284	2,333
Utility charges income	-	103,994
Insurance proceeds	162,006	-
Investment Income	283,574	-
Other fees	-	(41,412)
Miscellaneous	-	164,278
Interest expense	-	(684,673)
Total non-operating revenues (expenses)	520,864	(455,480)
Net income (loss) before contributions and special items	521,485	(2,033,054)
Capital contributions	-	1,807,178
Changes in net position	521,485	(225,876)
Net Position, beginning of year (Note 11)	19,233,994	6,702,663
Net Position, end of year	\$ 19,755,479	\$ 6,476,787

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

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
LAFAYETTE, LOUISIANA

STATEMENT OF CASH FLOWS
Year Ended September 30, 2025

EXHIBIT C

	TOTAL PRIMARY GOVERNMENT	DISCRETE COMPONENT UNITS
CASH FLOWS FROM OPERATING ACTIVITIES		
Rental receipts	\$ 1,117,324	\$ 1,667,858
Other receipts	3,070,496	-
Federal grants	19,464,918	-
Payments to vendors	(6,459,740)	(1,360,924)
Payments to employees - net	(2,177,110)	(244,596)
Payments to private landlords	<u>(13,939,653)</u>	<u>-</u>
Net cash provided by operating activities	<u>1,076,235</u>	<u>62,338</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(862,085)	-
Increase in capital debt	-	380,425
Interest paid on capital debt	<u>-</u>	<u>(684,673)</u>
Net cash provided (used) by capital and related financing activities	<u>(862,085)</u>	<u>(304,248)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>75,284</u>	<u>2,333</u>
Net cash provided by investing activities	<u>75,284</u>	<u>2,333</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	289,434	(239,577)
CASH AND CASH EQUIVALENTS		
Beginning of fiscal year	<u>5,829,700</u>	<u>1,212,929</u>
CASH AND CASH EQUIVALENTS		
End of fiscal year	<u>\$ 6,119,134</u>	<u>\$ 973,352</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ 399,637</u>
Reconciliation of cash:		
Cash and cash equivalents	\$ 5,518,359	\$ 85,097
Restricted deposits	<u>330,170</u>	<u>888,255</u>
	<u>\$ 5,848,529</u>	<u>\$ 973,352</u>

(Continued)

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

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
LAFAYETTE, LOUISIANA

ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
Year Ended September 30, 2025

EXHIBIT C

	PRIMARY GOVERNMENT	DISCRETE COMPONENT UNITS
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 621	\$ (1,577,574)
Adjustment to reconcile operating to net cash provided by operating activities:		
Cash provided by non-capital Federal grants and other (financing activity)	19,044	-
Depreciation and amortization expense	543,631	1,302,613
Change in assets and liabilities and changes in deferred inflows:		
Receivables, net	125,230	(6,628)
Inventories	1,168	-
Prepaid items	(10,832)	541
Other assets	(243,839)	-
Account payables	22,800	149,635
Unearned revenue	(2,974)	4,490
Other payables	(7,470)	189,261
Deposits due others	6,267	-
Compensated absences	351,984	-
Net cash provided by operations	\$ 805,630	\$ 62,338

(Concluded)

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

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
LAFAYETTE, LOUISIANA

COMBINING STATEMENT OF NET POSITION FOR DISCRETE COMPONENT UNITS
Year Ended September 30, 2025

EXHIBIT D

ASSETS	St. Antoine Gardens, L.P.	Villa Gardens L.P.	Simcoe Development L.P.	Total Discrete Component Units
Current Assets				
Cash and cash equivalents	\$ 3,836	\$ 32,162	\$ 49,099	\$ 85,097
Accounts receivable, net	18,523	3,616	10,443	32,582
Prepaid expenses and other assets	33,748	34,762	86,810	155,320
Restricted deposits	<u>42,690</u>	<u>156,575</u>	<u>688,990</u>	<u>888,255</u>
Total Current Assets	<u>98,797</u>	<u>227,115</u>	<u>835,342</u>	<u>1,161,254</u>
Noncurrent Assets				
Other assets	<u>49,840</u>	<u>900</u>	<u>45,919</u>	<u>96,659</u>
Capital Assets				
Land	98,500	415,324	7,500	521,324
Buildings, improvements, equipment (net of accumulated depreciation)	<u>2,844,148</u>	<u>4,408,165</u>	<u>25,739,177</u>	<u>32,991,490</u>
Total Noncurrent Assets	<u>2,992,488</u>	<u>4,824,389</u>	<u>25,792,596</u>	<u>33,609,473</u>
TOTAL ASSETS	<u>\$ 3,091,285</u>	<u>\$ 5,051,504</u>	<u>\$ 26,627,938</u>	<u>\$ 34,770,727</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 149,526	\$ 49,745	\$ 865,195	\$ 1,064,466
Unearned revenue	2,395	5,104	1,788	9,287
Due to related party	32,870	294,524	-	327,394
Interest payable	2,814	7,915	-	10,729
Current portion of long-term debt	18,924	38,448	57,492	114,864
Deposits due others	<u>6,620</u>	<u>27,800</u>	<u>35,600</u>	<u>70,020</u>
Total Current Liabilities	<u>213,149</u>	<u>423,536</u>	<u>960,075</u>	<u>1,596,760</u>
Noncurrent Liabilities				
Notes payable to primary government	435,924	833,528	8,810,000	10,079,452
Interest payable to primary government	370,520	419,677	1,609,119	2,399,316
Interest payable to developer	54,673	-	-	54,673
Fee payable	167,876	131,341	-	299,217
Due to primary government	550,458	-	-	550,458
Unearned developer fee payable to primary government	97,456	-	-	97,456
Long-term debt	<u>450,768</u>	<u>1,682,235</u>	<u>11,083,605</u>	<u>13,216,608</u>
Total Noncurrent Liabilities	<u>2,127,675</u>	<u>3,066,781</u>	<u>21,502,724</u>	<u>26,697,180</u>
TOTAL LIABILITIES	<u>2,340,824</u>	<u>3,490,317</u>	<u>22,462,799</u>	<u>28,293,940</u>
NET POSITION				
Net investment in capital assets	1,936,762	2,261,363	4,189,275	8,387,400
Unrestricted	<u>(1,186,301)</u>	<u>(700,176)</u>	<u>(24,136)</u>	<u>(1,910,613)</u>
TOTAL NET POSITION	<u>\$ 750,461</u>	<u>\$ 1,561,187</u>	<u>\$ 4,165,139</u>	<u>\$ 6,476,787</u>

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

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
LAFAYETTE, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR
THE DISCRETE COMPONENT UNITS
Year Ended September 30, 2025

EXHIBIT E

	St. Antoine Gardens, L.P.	Villa Gardens L.P.	Simcoe Development L.P.	Total Discrete Component Units
Operating revenues				
Dwelling rental	\$ 114,086	\$ 397,065	\$ 1,156,707	\$ 1,667,858
Total operating revenues	<u>114,086</u>	<u>397,065</u>	<u>1,156,707</u>	<u>1,667,858</u>
Operating expenses				
Administration	20,062	58,890	518,340	597,292
Utilities	7,394	13,421	296,523	317,338
Maintenance	85,149	256,359	164,168	505,676
General expenses	106,620	179,791	236,102	522,513
Depreciation and amortization	<u>130,783</u>	<u>227,360</u>	<u>944,470</u>	<u>1,302,613</u>
Total operating expenses	<u>350,008</u>	<u>735,821</u>	<u>2,159,603</u>	<u>3,245,432</u>
Operating income (loss)	<u>(235,922)</u>	<u>(338,756)</u>	<u>(1,002,896)</u>	<u>(1,577,574)</u>
Nonoperating revenues (expenses)				
Interest income	28	1,889	416	2,333
Utility charges income	-	-	103,994	103,994
Other fees	(12,959)	(22,989)	(5,464)	(41,412)
Miscellaneous	-	-	164,278	164,278
Interest expense	<u>(63,210)</u>	<u>(130,096)</u>	<u>(491,367)</u>	<u>(684,673)</u>
Total nonoperating revenues (expenses)	<u>(76,141)</u>	<u>(151,196)</u>	<u>(228,143)</u>	<u>(455,480)</u>
Income (loss) before contributions and special items	(312,063)	(489,952)	(1,231,039)	(2,033,054)
Capital Contributions	<u>-</u>	<u>-</u>	<u>1,807,178</u>	<u>1,807,178</u>
Increase (decrease) in net position	(312,063)	(489,952)	576,139	(225,876)
Net position, beginning of year	<u>1,062,524</u>	<u>2,051,139</u>	<u>3,589,000</u>	<u>6,702,663</u>
Net position, end of year	<u>\$ 750,461</u>	<u>\$ 1,561,187</u>	<u>\$ 4,165,139</u>	<u>\$ 6,476,787</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
LAFAYETTE, LOUISIANA

COMBINING STATEMENT OF CASH FLOWS
FOR THE DISCRETE COMPONENT UNITS
Year Ended September 30, 2025

EXHIBIT F

	St. Antoine Gardens, L.P.	Villa Gardens L.P.	Simcoe Development L.P.	Total Discrete Component Units
Cash flows from operating activities				
Rental receipts	\$ 114,086	\$ 397,065	\$ 1,156,707	\$ 1,667,858
Payments to vendors	(104,497)	(490,453)	(765,974)	(1,360,924)
Payments to employees	(10,365)	(53,772)	(180,459)	(244,596)
Net cash provided (used by) operating activities	(776)	(147,160)	210,274	62,338
Cash flows from capital and related financing activities:				
Increase (Decrease) in capital debt	(17,613)	(60,865)	458,903	380,425
Interest paid on capital debt	(63,210)	(130,096)	(491,367)	(684,673)
Net cash provided (used by) capital and related financing activities	(80,823)	(190,961)	(32,464)	(304,248)
Cash flows from investing activities:				
Interest and dividends	28	1,889	416	2,333
Payments for fixed assets and rehabilitation costs	-	-	-	-
Net cash provided (used) by investing activities	28	1,889	416	2,333
Net increase (decrease) in cash and cash equivalents	(81,571)	(336,232)	178,226	(239,577)
Cash, beginning of year	128,097	524,969	559,863	1,212,929
Cash, end of year	\$ 46,526	\$ 188,737	\$ 738,089	\$ 973,352

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
LAFAYETTE, LOUISIANA

COMBINING STATEMENT OF CASH FLOWS
FOR THE DISCRETE COMPONENT UNITS
Year Ended September 30, 2025

EXHIBIT F

	St. Antoine Gardens, L.P.	Villa Gardens L.P.	Simcoe Development L.P.	Total Discrete Component Units
Cash and cash equivalents	\$ 3,836	\$ 32,162	\$ 49,099	\$ 85,097
Restricted deposits	42,690	156,575	688,990	888,255
Total cash and cash equivalents	<u>\$ 46,526</u>	<u>\$ 188,737</u>	<u>\$ 738,089</u>	<u>\$ 973,352</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(235,922)	(338,756)	(1,002,896)	(1,577,574)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expense	130,783	227,360	944,470	1,302,613
Change in assets and liabilities				
Receivables, net	(6,892)	1,399	(1,135)	(6,628)
Prepaid items	(4,841)	(2,451)	7,833	541
Accounts payable	90,852	5,311	53,472	149,635
Fee payable	12,959	22,989	5,464	41,412
Unearned revenue	564	2,245	1,681	4,490
Other Payables	<u>11,721</u>	<u>(65,257)</u>	<u>201,385</u>	<u>147,849</u>
Net cash provided (used) by operating activities	<u>\$ (776)</u>	<u>\$ (147,160)</u>	<u>\$ 210,274</u>	<u>\$ 62,338</u>
Supplemental Disclosure of Cash Flow Information:				
Cash paid during the year for:				
Interest	<u>\$ 63,210</u>	<u>\$ 130,096</u>	<u>\$ 491,367</u>	<u>\$ 399,637</u>

(Concluded)

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Housing Authority of the City of Lafayette have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the City of Lafayette, Louisiana. This formation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in the city. The Housing Authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the City and serve five-year staggered terms. The Board of the Authority exercises all powers granted to the Authority.

The Housing Authority administers the following number of units:

		<u>Units</u>
Low Rent	LA005	466
Section 8 Housing Choice Vouchers	LA005	1,984
Mainstream Vouchers	LA005	163
Emergency Housing Vouchers	LA005	37

GASB Statement 14, as amended by GASB Statement No. 39 and GASB Statement No. 61, establishes criteria for determining the governmental reporting entity and component units that should be included within reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the City of Lafayette since the City of Lafayette appoints a voting majority of the Housing Authority’s governing board. The City of Lafayette is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Lafayette. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Lafayette.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set both criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

- 1) Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that the following component units should be considered as part of the Housing Authority reporting entity.

St. Antoine Gardens Limited Partnership (SAGLP) is a legally separate entity. The Managing General Partner of SAGLP is Lafayette Low Income Housing Management Corporation, Inc. (LLIHMC). The Board of Directors of LLIHMC consists entirely of the Board of Commissioners of the Housing Authority, which provides the Authority with a voting majority of the governing body of SAGLP. In addition, there is the potential for SAGLP to impose financial burden on the Authority. Based on the above, SAGLP and LLIHMC are considered to be component units.

Villa Gardens Limited Partnership (VGLP) is a legally separate entity. The Managing General Partner of VGLP is the Authority. This provides the Authority with a voting majority of the governing body of VGLP. In addition, there is the potential for VGLP to impose a financial burden on the Housing Authority. Based on the above, VGLP is considered to be a component unit.

Simcoe Development Limited Partnership (SDLP) is a legally separate entity. The Managing General Partner of SDLP is the Authority. This provides the Authority with a voting majority of the governing body of SDLP. In addition, there is the potential for SDLP to impose a financial burden on the Housing Authority. Based on the above, SDLP is considered to be a component unit.

The governing body of the Authority is considered to have complete control over LLIHMC but not complete control over SAGLP, VGLP and SDLP. As a result, LHA records LLIHMC in the LHA financial statements as a blended entity. LHA includes SAGLP, VGLP and SDLP through discrete presentation. The financial position, changes in net position and cash flows of SAGLP, VGLP and SDLP are presented as of and for the year ended December 31, 2024.

Separate financial statements of SAGLP, VGLP and SDLP were issued for year ended December 31, 2024 and can be obtained from the Housing Authority.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

The Housing Authority is a related organization of the City of Lafayette, Louisiana (City) since the City appoints a voting majority of the Authority's governing board. The City is not financially accountable for the Authority as it cannot impose its will on the Authority and there is no potential for the Authority to provide financial benefit to, or impose financial burdens on, the City. Accordingly, the Authority is not a component unit of the financial reporting entity of the City.

B. FUNDS

The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for transactions of all the Authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principle ongoing operations. According to the Housing Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accompanying basic financial statements of the Housing Authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis- for State and Local Governments, which was unanimously approved in September 1999 by the GASB.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the account and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues of the Housing Authority are rental income, maintenance charges to the residents and federal operating grants. Operating expenses include the costs of providing these services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, AND NET POSITION

1. Deposits

The Housing Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the Housing Authority's investment policy allow the Housing Authority to invest in collateralized certificates of deposit and securities backed by the federal government.

2. Inventory and Prepaid Items

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the Housing Authority's operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Restricted Assets

Cash equal to the amount of tenant security deposits and housing assistance payment reserves are reflected as restricted.

4. Capital Assets

Capital assets of the Housing Authority are included in the statement of net position and are recorded at actual cost. The capitalization threshold is \$5,000. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

Buildings	27.5 years
Modernization and improvements	10 years
Furniture and equipment	3-10 years

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

D. ASSETS, LIABILITIES, AND NET POSITION (Continued)

5. Due from/to other governments or agencies

Amounts due from/to the Housing Authority to/by other governments or agencies are generally for grants or programs under which the services have been provided by the Housing Authority. The Authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

6. Allowance for credit losses

The authority evaluates the collectability of its receivables based on historical collection rates, tenant payment behavior, and current economic conditions affecting low-income housing residents. An allowance for credit losses is established through a provision charged to operations, reflecting management's estimate of uncollectible amounts. At September 30, 2025, the management of the authority established an allowance for credit losses of approximately \$4,583,424.

7. Compensated absences

The Housing Authority provides compensated absences to eligible employees, including vacation, sick leave, and other paid time off. In accordance with GASB Statement No. 101 "*Compensated Absences*", the Authority recognizes a liability for compensated absences when the following conditions are met:

- The leave is attributable to services already rendered.
- The leave accumulates and may be carried forward.
- It is more likely than not that the leave will be used for time off or otherwise paid or settled.

Depending on the length of service, employees earn from 96 to 192 hours per year in annual leave. Employees may accumulate an unlimited number of annual leave hours. Depending on their length of service, employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay.

8. Restricted net position

Net positions are reported as restricted when constraints placed on net positions use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

9. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the government-wide financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

D ASSETS, LIABILITIES, AND NET POSITION (Continued)

10. Amortization

St. Antoine Gardens, L.P., a component unit of the Housing Authority amortizes its tax credit costs over the ten-year credit period using the straight-line method beginning in the first year in which tax credits are taken. For the year ended December 31, 2024, accumulated amortization totaled \$22,469.

Villa Gardens, L.P., a component unit of the Housing Authority amortizes its tax credit costs over the ten-year tax credit period using the straight-line method beginning in the first year in which tax credits are taken. As of December 31, 2024, tax credit costs have been fully amortized.

Simcoe Development, L.P., a component unit of the Housing Authority amortizes its tax credit costs over the fifteen-year tax credit period using the straight-line method beginning in the first year in which tax credits are taken. For the year ended December 31, 2024, accumulated amortization totaled \$3,936.

NOTE 2 DEPOSITS

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of September 30, 2025, the Housing Authority's carrying amount of deposits was \$5,848,529, which includes the following:

	September 30, <u>2025</u>
Cash and cash equivalents-unrestricted	\$ 5,518,359
Cash and cash equivalents-restricted	<u>330,170</u>
Total	<u><u>\$ 5,848,529</u></u>

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: Since all of the Housing Authority's deposits are federally insured and/or backed by federal securities, the Housing Authority does not have credit rate risk.

Custodial Credit Risk- This is the risk that in the event of a bank failure, the Housing Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. At September 30, 2025, the bank balances totaled \$6,036,040. \$267,539 of the Authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$5,768,501 of deposits have custodial credit risk but were collateralized with securities held by the pledging financial institution trust department or agent.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 DEPOSITS (Continued)

The carrying amount of the deposits as of December 31, 2024 for St. Antoine Gardens, L.P., the Housing Authority's discretely presented component unit, was \$46,526. As of December 31, 2024, there were no uninsured deposits. The restricted deposits consisted of \$6,620 in tenant security deposits, \$6,817 in insurance escrow reserve, \$5,385 in replacement reserve, and \$23,868 in operating reserves.

The carrying amount of the deposits as of December 31, 2024 for Villa Gardens, L.P., the Housing Authority's discretely presented component unit, was \$188,737. As of December 31, 2024, there were no uninsured deposits; note that the component units are not required to have all deposits insured by the federal government. The restricted deposits consisted of \$27,640 in tenant security deposits, \$904 in tax and insurance escrow, \$88,350 in replacement reserve, and \$39,681 in operating reserve.

The carrying amount of the deposits as of December 31, 2024, for Simcoe Development, L.P., the Housing Authority's discretely presented component unit, was \$738,089. As of December 31, 2024, there were uninsured deposits of \$488,089; note that the component units are not required to have all deposits insured by the federal government. The restricted deposits consisted of \$19,719 in tenant security deposits, \$39 in tax and insurance escrow, \$163,310 in replacement reserve, and \$505,922 in operating reserve.

NOTE 3 CAPITAL ASSETS

The changes in capital assets are as follows:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Non-depreciable assets				
Land and Construction in Progress	\$ 1,714,510	\$ 1,030,653	\$(738,297)	\$ 2,006,866
Depreciable assets				
Buildings and improvements	22,233,615	780,493	-	23,014,108
Furniture and equipment	<u>712,124</u>	<u>81,592</u>	-	<u>793,716</u>
Total depreciable assets	<u>22,945,739</u>	<u>862,085</u>	-	<u>23,807,824</u>
Less: accumulated depreciation				
Buildings and improvements	17,352,123	475,045	-	17,827,168
Furniture and equipment	<u>487,074</u>	<u>68,586</u>	-	<u>555,660</u>
Total accumulated depreciation	<u>17,839,197</u>	<u>543,631</u>	-	<u>18,382,828</u>
Total capital assets, net	<u>\$ 6,821,052</u>	<u>\$ 1,349,107</u>	<u>\$(738,297)</u>	<u>\$ 7,431,862</u>

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 CAPITAL ASSETS (Continued)

<u>Component Units</u>	<u>Balance 10/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2025</u>
Non-depreciable assets				
Land and Construction in Progress	\$ 521,324	\$ -	\$ -	\$ 521,324
Depreciable assets				
Buildings and improvements	38,423,976	-	-	38,423,976
Furniture and equipment	<u>3,033,576</u>	<u>-</u>	<u>-</u>	<u>3,033,576</u>
Total depreciable capital assets	<u>41,457,552</u>	<u>-</u>	<u>-</u>	<u>41,457,552</u>
Less: accumulated depreciation				
Total accumulated depreciation	<u>7,698,456</u>	<u>1,810,254</u>	<u>-</u>	<u>9,508,710</u>
Total capital assets, net	<u>\$ 34,280,420</u>	<u>\$ (1,810,254)</u>	<u>\$ -</u>	<u>\$ 32,470,166</u>

NOTE 4 OTHER ASSETS

At September 30, 2025, the Housing Authority reported other assets in the amount of \$9,278,692, primarily related to notes, loans, and mortgages receivable.

NOTE 5 COMPENSATED ABSENCES

At September 30, 2025, employees of the Housing Authority have accumulated and vested \$520,011 of employee leave benefits, which was computed in accordance with GASB Statement No. 101, *Compensated Absences*. The leave payable is recorded in the accompanying financial statements. \$312,006 is reported in long-term debt at September 30, 2025.

NOTE 6 LONG TERM OBLIGATIONS

At September 30, 2025 employees of the Housing Authority have accumulated and vested \$520,011 of employee leave computed in accordance with GASB Statement No. 101.

The following is a summary of the long-term obligation transactions for the fiscal year ended September 30, 2025.

<u>Primary Government</u>	<u>Compensated Absences</u>
Balance as of October 1, 2024	\$ 520,079
Additions	113,360
Deletions	<u>(113,428)</u>
Balance as of September 30, 2025	<u>\$ 520,011</u>
Amounts due in one year	<u>\$ 208,005</u>

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6 LONG TERM OBLIGATIONS (Continued)

Component Units

	Notes Payable	Note Payable- Primary Government
Balance as of January 1, 2024	\$ 13,151,802	\$ 10,079,452
Additions	119,396	-
Deletions	(23,649)	-
Note payable December 31, 2024	13,247,549	10,079,452
Less: Unamortized debt issuance costs	<u>(30,941)</u>	<u>-</u>
Total December 31, 2024	<u>\$ 13,216,608</u>	<u>\$ 10,079,452</u>
Due in one year	<u>\$ 114,864</u>	<u>\$ -</u>

On June 25, 2009, the St. Antoine Gardens Limited Partnership (SAGLP) component unit entered into a loan agreement in the amount of \$640,000 with JP Morgan Chase Bank, NA. The loan is payable in monthly installments of principal and interest of \$4,340 until its maturity on July 1, 2027, at which time any remaining principal and interest shall be due and payable. The loan bears interest at a rate of 7.19% per annum and is collateralized primarily by the component unit's land and improvements, thereon. As of December 31, 2024 and 2023, the loan balance was \$469,692 and \$487,305, respectively.

	2024	2023
Note Payable	\$ 469,692	\$ 487,305
Less: Unamortized Debt Issuance Costs	<u>-</u>	<u>(2,387)</u>
Note Payable, net	<u>\$ 469,692</u>	<u>\$ 484,918</u>

SAGLP recorded a note payable which is due to LHA in the amount of \$435,924 with accrued interest of \$370,520. This note is to be paid from available cash flow, if any, and therefore does not have an amortization schedule.

On March 7, 2012, VGLP entered into a permanent loan agreement to receive funds of \$1,600,000 from Capital One, NA. The loan bears interest at a rate of 7.34% annum and was payable in monthly installments of principal and interest of \$11,013 until its maturity on March 7, 2027, at which time any remaining principal and interest shall be due and payable. The loan is collateralized primarily by the Partnership's land and improvements, thereon.

As of December 31, 2024 and 2023, the permanent loan had a balance of \$1,294,010 and \$1,354,875, with interest accrued of \$7,915 and \$82,111, respectively.

	2024	2023
Note Payable	\$ 1,294,010	\$ 1,354,875
Less: Unamortized Debt Issuance Costs	<u>(30,941)</u>	<u>(40,688)</u>
Note Payable, net	<u>\$ 1,263,069</u>	<u>\$ 1,314,187</u>

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6 LONG TERM OBLIGATIONS (Continued)

VGLP also entered into a permanent loan agreement with Lafayette Public Trust Financing Authority (LPTFA) on July 16, 2010, which is collateralized by a mortgage on real property and a security agreement. The maximum amount that can be drawn on the loan is \$463,250. The loan bears no interest and is payable solely from 75% of net cash flow commencing on January 1, 2011 and matures on June 30, 2025. As of December 31, 2024 and 2023, the amount owed on this loan was \$457,614 and \$457,614, respectively.

VGLP also entered into a loan with the primary government during the fiscal year ended December 31, 2012 in the amount of \$833,527. The loan bears interest at a fixed rate of 4.0% per annum and is payable in annual installments solely from 75% of surplus cash flow, due on the first day of April commencing April 1, 2012 and matures on August 1, 2045. As of December 31, 2024 and 2023, the amount owed on this loan was \$833,528 and \$833,528, with interest accrued of \$419,677 and \$385,779, respectively.

The VGLP partnership's LPTFA and LHC TCAP loans are to be repaid from surplus cash. As a result, the aggregate maturities of these loans for the next five years cannot be reasonably estimated.

The SAGLP partnership's HACL loan is to be repaid from cash flow. As a result, the aggregate maturities of this loan for the next five years cannot be reasonably estimated.

The component units' maturities of long-term debt for the next five years and thereafter are as follows:

Year Ending December 31,	
2025	\$ 572,478
2026	121,430
2027	1,706,695
2028	64,481
2029	66,994
Thereafter	<u>6,099,787</u>
	<u>\$ 8,631,865</u>

SDLP has financed the development cost of the project with Multifamily Housing Revenue Bonds Series 2020A and Series 2020B issued by Louisiana Housing Corporation which are part of a construction loan of \$14,263,171 payable to Cedar Rapids Bank and Trust dated November 24, 2020. The loan was converted from a construction loan to a permanent loan in 2023. The loan is secured by the project and includes annual amortization payments of \$340,800 (approximately \$28,415 monthly) and an interest rate which is synthetically fixed at 3.83% per an interest rate swap agreement, until maturity during 2038. The balance of the loan as of December 31, 2024 and 2023 is \$5,141,097 and \$6,899,010, respectively.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6 LONG TERM OBLIGATIONS (Continued)

SDLP has a \$6,040,000 promissory note dated November 24, 2020, secured by the project. The loan bears interest at 6.65% per annum and matures and is payable in full forty years from the date of the loan. The loan was modified on December 12, 2023. The modification increased the loan amount to \$8,810,000, in a non-cash financing transfer, and reduced the interest rate to 3.85% annually. Annual payments of principal and accrued interest shall be payable from net cash flow. As of December 31, 2024 and 2023, the loan balance was \$8,810,000 and the accrued interest payable was \$1,609,119 and \$1,325,545, respectively.

SDLP has a GAP Financing Loan with an approved amount up to \$4,352,196. The note has an effective date of November 24, 2020 and is secured by the project. The loan agreement was modified in 2024 and the loan amount increased to \$6,000,000. The loan bears interest at 0% per annum and matures in full thirty-five years from the effective date of the loan. Annual payments are equal to fifty percent of any surplus cash generated by project operations. As of December 31, 2024 and 2023, the loan balance was \$6,000,000 and \$4,134,586, respectively.

NOTE 7 COMMITMENTS AND CONTINGENCIES

The Housing Authority executed two (2) MOU's that affect the FS's, as described below. The MOU's are considered contracts between and binding the parties. As a result of the MOU's LLIHC, SAG and VGHC are indemnifying LHA.

A main effect of these MOU's is:

To agree to the amounts due to the general fund from the CU's and require they be recorded as AR/AP.

Require any CU funds available at this time be immediately paid to the general fund to reduce the AR.

Require that future earnings from all Non-Federal Funds be paid to the general fund to pay off the AR.

First MOU- In January 2013 an MOU was executed between the LHA and Lafayette Low Income Housing Corporation (LLIHC). Previously St. Antoine Gardens LP was merged into LLIHC at the direction of HUD.

As a result of this MOU, LLIHC/SAG expensed \$259,000, which was credited to AR from SAG on the Section 8 books, leaving a balance of \$131,564 due to Section 8 for the issues covered by this MOU.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 COMMITMENTS AND CONTINGENCIES (Continued)

Second MOU- In February 2013, an MOU was executed between LHA and LLIHC and Villa Gardens Housing Corporation (VGHC). The purpose of this MOU is to formalize the agreement to repay questioned costs identified by an OIG report in 2011 in the amount of \$2,976,813. The parties agreed that Management Fees paid in the future will be credited to the account receivable described above. The parties agreed that any additional earnings by LLIHC from VGHC and/or SAG will be credited to the AR, considered by the parties to be a significant commitment. As a result of this MOU the PHA records \$2,897,807 as AP LHA and \$2,864,779 of this amount as uncollectible. LHA states that HUD required this recordation as part of the MOU negotiations with the idea being that HUD insists LHA continue recording the AR until paid in full from all available non-Federal Funds.

Contingent guarantees:

The Housing Authority executed contingent guarantees relating to component units. These guarantees include all obligations of VGLP including partnership deficits. These guarantees include specific VGLP potential obligations that are not quantifiable such as operating deficits for all required compliance periods. LHA did not record any contingent liabilities relating to these contingent guarantees.

These guarantees also include all obligations of SAGLP including partnership deficits. These guarantees include specific SAGLP potential obligations that are not quantifiable such as operating deficits for all required compliance periods. LHA did not record contingent liabilities relating to these contingent guarantees.

NOTE 8 RETIREMENT PLAN

The Housing Authority provides pension benefit through Principle Life Insurance Company for all of its full-time employees through a defined contribution plan. All regular and 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. The employer is required to make contributions equal to 7% of each participant's basic compensation. The contribution rates are established by the Housing Authority Board. The employee may make monthly voluntary contributions of his or her basic compensation. Employee contributions totaled \$10,292 as of September 30, 2025.

The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for the year ended September 30, 2025 was \$2,034,768. The Housing Authority's contributions were calculated using the base salary amount of \$1,918,580. The Housing Authority made the required contributions of \$134,301 for year ended September 30, 2025.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 RISK MANAGEMENT

The Housing 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 Housing Authority's risk management program encompasses obtaining property and liability insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and workers compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the authority's deductions are met.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past four fiscal years.

NOTE 10 FEDERAL COMPLIANCE CONTINGENCIES

The Housing Authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries. The Authority is subject to HUD's consideration of reducing grants in order to have the Authority utilize authority Equity to fund expenses.

NOTE 11 PRIOR PERIOD ADJUSTMENT

Effective January 1, 2025, the Authority implemented GASB Statement No. 101, *Compensated Absences*, which updates measurement and recognition requirements for unused, accumulating leave that is more likely than not to be used or otherwise paid. This adoption constitutes a change in accounting principle and is reported in accordance with GASB Statement No. 100, which requires restatement of beginning net position for changes in accounting principles.

Implementation resulted in an increased compensated absences liability, requiring a decrease in the beginning net position of \$352,055. The restatement affects the compensated absences liability and beginning net position consistent with GASB 100 disclosure requirements for accounting changes.

Upon adoption, the Housing Authority reevaluated its compensated absences liability under the new unified measurement model. This resulted in an increase of \$352,055 in the compensated absences liability.

Restatement of Beginning Net Position

Beginning Net Position, as previously reported	\$	19,586,049
Increase in compensated absences liability (GASB 101)		(352,055)
Beginning net position, as restated	<u>\$</u>	<u>19,233,994</u>

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 12 SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about 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 Housing Authority through March 3, 2026, and concluded that there were no subsequent events that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE 13 ECONOMIC DEPENDENCE

Financial Accounting Standards Board Accounting Standards Codification 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$19,464,919 for 2025 to the Housing Authority, which represents approximately 81% of the Housing Authority's total revenue for the fiscal year.

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*

Housing Authority of the City of Lafayette
Lafayette, Louisiana

We have audited, 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 Housing Authority of the City of Lafayette, Louisiana, as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Lafayette, Louisiana's basic financial statements, and have issued our report thereon dated March 3, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Lafayette, Louisiana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Lafayette, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Lafayette, Louisiana'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 as 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 material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Housing Authority of the City of Lafayette's Response to Findings

The Housing Authority of the City of Lafayette's response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. The Housing Authority of the City of Lafayette'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.

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 do not 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.

Darnall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

March 3, 2026



Independent Auditor's Report on
Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance;
And Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance

Housing Authority of the City of Lafayette
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Lafayette's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Lafayette's major federal programs for the fiscal year ended September 30, 2025. The Housing Authority of the City of Lafayette's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority of the City of Lafayette complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority of the City of Lafayette, Louisiana's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 through 2025-006. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned 29 functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Housing Authority of the City of Lafayette of each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Lafayette, as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Lafayette's basic financial statements. We issued our report thereon dated March 3, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Darnall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

March 3, 2026

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Findings and Questioned Costs
Year Ended September 30, 2025

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified

2. Internal Control Over Financial Reporting

a. Material weakness(es) identified? _____ yes X no
b. Significant deficiency(ies) identified? _____ yes X none reported

3. Noncompliance material to financial statements noted? _____ yes X no

Audit of Federal Awards

1. Internal Control Over Major Programs:

a. Material weakness(es) identified? _____ yes X no
b. Significant deficiency(ies) identified
that are not considered to be material
weaknesses? _____ yes X no

2. Type of Auditor’s Report Issued on Compliance For Major Programs – Unmodified.

3. Any audit findings disclosed that are
required to be reported in accordance
with Uniform Guidance (2 CFR 200)? X yes _____ no

4. The programs tested as major programs include:

Housing Voucher Cluster:

- Assistance Listing # 14.871 Housing Choice Voucher Program
- Assistance Listing # 14.871 Emergency Housing Voucher Program
- Assistance Listing # 14.879 Mainstream Vouchers

5. Dollar threshold used to distinguish between Type A and Type B Programs as described in the
Uniform Guidance (2 CFR 200): \$ 1,000,000

6. Auditee qualified as low-risk auditee
under Uniform Guidance (2 CFR 200)? _____ yes X no

7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit
Sampling* was used.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2025

Section II – Findings Relating to an Audit in Accordance With Government Auditing Standards

A. Internal Control Findings

None

B. Compliance Findings

None

Section III – Findings and Questioned Costs Relating to Federal Programs

2025-001* Non-Compliance with Waiting List Requirements

Condition:

Housing Voucher Cluster waiting list is not being maintained in accordance with federal requirements or its own Administrative Plan. Applicant names were not removed when required, and updates to applicant information were not consistently recorded or verified.

Criteria:

Per 24 CFR 982.54(d)(1), the Public Housing Agency (PHA) Administrative Plan must include policies for managing the Housing Choice Voucher (HCV) waiting list, including the method for organizing, applying selection preferences, maintaining the list, and updating applicant information. Additionally, 24 CFR 982.204(a) requires the PHA to select applicants from the waiting list in accordance with the PHA's written policies and applicable regulatory requirements. PHA policy further requires periodic updating of the waiting list, removal of applicants who fail to respond to update notices, and proper documentation of all additions, removals, and changes.

Cause:

The PHA did not maintain the waiting list in accordance with federal requirements or its own Administrative Plan. Applicant names were not removed when required, and updates to applicant information were not consistently recorded or verified. These deficiencies indicate that internal controls over the waiting list process were not operating effectively, and staff did not adhere to established procedures.

**These findings are carried forward from 2024 fiscal year due to the late filing of the prior year report which did not allow management the opportunity to correct them prior to the beginning of the current fiscal year audit.*

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2025

2025-001 Non-Compliance with Waiting List Requirements (Continued)

Effect:

Because the waiting list was not adequately updated and applicant names were not removed as required, auditors could not determine whether applicants were selected for admission in the correct order or in compliance with federal regulations and PHA policy. This increases the risk of improper or inequitable admissions decisions, inaccurate reporting, potential Fair Housing implications, and an inability to substantiate compliance with mandatory procedures.

Recommendation:

The PHA should strengthen internal controls over waiting list management.

Actions should include:

1. Updating the waiting list to ensure all information, removals, and changes are accurately documented.
2. Implementing or reinforcing procedures to ensure timely removal of applicants who fail to respond to update notices or are no longer eligible.
3. Providing staff training on federal requirements and PHA policy.
4. Establishing periodic monitoring to verify compliance and documentation accuracy.

2025-002* Record Keeping of Housing Voucher Cluster Tenant Files

Condition:

Housing Voucher Cluster tenant files are not being completed based on compliance requirements of HUD.

Criteria:

Housing Voucher Cluster tenant files should be maintained to ensure all compliance requirements of HUD are completed timely and appropriately.

Cause:

Housing Voucher Cluster tenant files are not being maintained with complete and accurate information. Information such as applications for admission or continued occupancy, HUD-9886 Authorization for the Release of Information/Privacy Act Notice, and support for rent calculations were either not filled out appropriately or were missing from the Housing Voucher Cluster tenant files.

**These findings are carried forward from 2024 fiscal year due to the late filing of the prior year report which did not allow management the opportunity to correct them prior to the beginning of the current fiscal year audit.*

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2025

2025-002 Record Keeping of Housing Voucher Cluster Tenant Files (Continued)

Effect:

Noncompliance with requirements imposes a risk of penalties and fines assessed by HUD.

Recommendation:

Controls over record keeping and maintaining Housing Voucher Cluster tenant files should be strengthened with an increased emphasis on timely and appropriate documentation concerning all compliance requirements of HUD.

2025-003 * NSPIRE/Housing Quality Standards Inspections

Condition:

Quality control re-inspections on units leased to families were not conducted at least biennially (within a two-year period) on 3 of 43 Housing Voucher Cluster tenants tested.

Criteria:

Public Housing Authorities must inspect the unit leased to a family at least biennially to determine if the unit meets Housing Quality Standards and the Public Housing Authority must conduct quality control re-inspections.

Cause:

Quality control re-inspections on units leased to families were performed outside of the two-year period on 3 of 43 Housing Voucher Cluster tenants tested.

Effect:

Noncompliance with requirements imposes a risk of penalties and fines assessed by HUD.

Recommendation:

Controls over Housing Quality Standards should be strengthened with an increased emphasis on timely re-inspections.

**These findings are carried forward from 2024 fiscal year due to the late filing of the prior year report which did not allow management the opportunity to correct them prior to the beginning of the current fiscal year audit.*

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2025

2025-004* Record Keeping of Reasonable Rent Documentation in Tenant File

Condition:

During testing of rent reasonableness documentation for tenants participating in the Housing Choice Voucher program, the PHA did not maintain a required rent reasonableness calculation worksheet for 1 of 43 tenant files selected for the fiscal year 2025. The tenant file lacked evidence showing how the PHA determined that the rent charged was reasonable compared to unassisted, comparable units in the market area.

Criteria:

The PHA Administrative Plan must state the method used to determine rent reasonableness, and this method must consider the unit's location, quality, size, unit type, unit age, and any amenities, housing services, maintenance, and utilities provided by the owner. Rent reasonableness must be determined at initial leasing, before any rent increase, and at the HAP contract anniversary if there is a 10 percent decrease in the published Fair Market Rent in effect 60 days before the HAP contract anniversary. The PHA must maintain records that document the basis for each rent reasonableness determination (initially and during the term of the HAP contract) per 24 CFR §§ 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507.

Cause:

1 of the 43 Housing Voucher Cluster tenant files tested lacked properly maintained documentation to demonstrate that the required rent reasonableness worksheet and supporting comparability analysis were completed and retained as required.

Effect:

Without proper rent reasonableness documentation, the PHA cannot demonstrate that the rent charged for the assisted unit met federal requirements. Failure to maintain complete documentation increases the risk of noncompliance with HUD regulations, may result in improper use of federal funds, and could expose the PHA to future questioned costs or program sanctions if deficiencies persist.

**These findings are carried forward from 2024 fiscal year due to the late filing of the prior year report which did not allow management the opportunity to correct them prior to the beginning of the current fiscal year audit.*

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2025

2025-004 Record Keeping of Reasonable Rent Documentation in Tenant File (Continued)

Recommendation:

The PHA should strengthen internal controls over record keeping of reasonable rent documentation. Actions should include:

1. Implementing a standardized checklist that requires completion and retention of rent reasonableness documentation before file approval.
2. Update and reinforce staff training on rent reasonableness requirements under 24 CFR §§ 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507, ensuring all staff understand documentation and timing requirements.
3. Conduct periodic quality control reviews of tenant files to verify compliance with federal documentation standards and the PHA's Administrative Plan.

2025-005* Housing Quality Standards (HQS) Enforcement

Condition:

2 of 6 of tenants tested that had failed inspections did not have documentation in their tenant file to support that HQS deficiencies identified in units under a Housing Assistance Payments (HAP) contract were addressed within the required.

Criteria:

Under 24 CFR § 982.405(d), PHAs must ensure HQS deficiencies in HAP-assisted units are corrected within required timeframes. For life-threatening deficiencies, the PHA must inspect and notify the owner within 24 hours, and the owner must make repairs within 24 hours of notification. For non-life-threatening deficiencies, the PHA must inspect and notify the owner within 15 days, and the owner must correct the deficiency within 30 days or within an approved extension. If an owner fails to correct deficiencies within the required period, the PHA must abate HAP no later than the first of the month following the correction deadline or terminate the HAP contract. Owners are not responsible for deficiencies caused by the family, including failure to pay required utilities or tenant-caused damage. Under 24 CFR §§ 982.158(d) and 982.404, for family-caused deficiencies that are not corrected, the PHA must take prompt enforcement action against the family.

**These findings are carried forward from 2024 fiscal year due to the late filing of the prior year report which did not allow management the opportunity to correct them prior to the beginning of the current fiscal year audit.*

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2025

2025-005 Housing Quality Standards (HQS) Enforcement (Continued)

Cause:

Housing Voucher Cluster tenant files are not being maintained with complete and accurate information. Information such as documentation to support that HQS deficiencies identified in units under a HAP contract were addressed within the required timeframes were missing from the Housing Voucher Cluster tenant files.

Effect:

Failure to maintain documentation demonstrating that HQS deficiencies were corrected within required timeframes increases the risk that assisted units may continue to operate with unresolved health and safety issues. Without adequate records, the PHA cannot demonstrate compliance with federal requirements governing the Housing Choice Voucher program. This may result in participants residing in units that do not meet HUD's minimum housing quality standards, potential exposure to HUD monitoring findings, and the risk of repayment or other administrative sanctions.

Recommendation:

We recommend that the PHA strengthen its internal controls and file management procedures to ensure that all documentation related to HQS deficiencies—including inspection reports, owner notifications, repair verification, and any HAP abatement actions—is consistently maintained in tenant files. The PHA should:

1. Implement a standardized checklist or documentation protocol for HQS deficiency follow-up.
2. Provide staff training on required HUD timelines and documentation standards.
3. Periodically review tenant files to ensure completeness and compliance.

2025-006 * Housing Assistance Payments (HAP)

Condition:

During testing of HAP for tenants participating in the Housing Choice Voucher program, the PHA did not maintain a HAP contract and tenancy addendum for 6 of 43 tenant files selected for the fiscal year 2025. The tenant file lacked evidence showing that the PHA maintained these legal binding documents that signifies agreement of the contract terms from all parties.

**These findings are carried forward from 2024 fiscal year due to the late filing of the prior year report which did not allow management the opportunity to correct them prior to the beginning of the current fiscal year audit.*

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2025

2025-006 Housing Assistance Payments (HAP) (Continued)

Criteria:

Per 24 CFR section 982.158 and 24 CFR Part 982, Subpart K, the PHA must pay a monthly HAP on behalf of the family that corresponds with the amount on line 12u of the HUD-50058. This HAP amount must be reflected on the HAP contract and HAP register.

Cause:

Housing Voucher Cluster tenant files are not being maintained with complete and accurate information. Information such as HAP contracts and tenancy addendums were missing from the Housing Voucher Cluster tenant files.

Effect:

Without complete HAP contracts and tenancy addendums, the PHA cannot demonstrate that assisted units were under valid and enforceable agreements as required by HUD regulations. Missing documentation increases the risk of improper HAP payments, weakens the PHA's ability to enforce landlord and tenant obligations, and exposes the agency to potential HUD monitoring findings, repayment requirements, or other compliance actions.

Recommendation:

We recommend that the PHA strengthen controls over tenant file maintenance to ensure that fully executed HAP contracts and tenancy addendums are obtained, retained, and properly filed for all Housing Choice Voucher participants. The PHA should:

1. Implement a standardized file checklist to confirm required documents are present prior to approving HAP payments.
2. Provide staff training on documentation requirements under 24 CFR Part 982.
3. Periodically perform internal file reviews to verify that HAP contracts and tenancy addendums are consistently maintained.



**Corrective Action Plan for Current Year Findings and Questioned Costs
Fiscal Year Ended September 30, 2025**

Finding: 2025-001 Non-Compliance with Waiting List

Criteria: Per 24 CFR 982.54(d)(1), the Public Housing Agency (PHA) Administrative Plan must include policies for managing the Housing Choice Voucher (HCV) waiting list, including the method for organizing, applying selection preferences, maintaining the list, and updating applicant information. Additionally, 24 CFR 982.204(a) requires the PHA to select applicants from the waiting list in accordance with the PHA's written policies and applicable regulatory requirements. PHA policy further requires periodic updating of the waiting list, removal of applicants who fail to respond to update notices, and proper documentation of all additions, removals, and changes.

Condition: Housing Voucher Cluster waiting list is not being maintained in accordance with federal requirements or its own Administrative Plan. Applicant names were not removed when required, and updates to applicant information were not consistently recorded or verified.

Corrective Action Planned: The Housing Authority of the City of Lafayette acknowledges the findings identified and is committed to implementing corrective actions to ensure full compliance with HUD regulations, 24 CFR requirements, and the Housing Authority's Administrative Plan. The Authority has already begun implementing corrective measures and will continue to strengthen internal controls, monitoring procedures, and staff accountability to prevent recurrence.

The Housing Authority will initiate a comprehensive review of the Housing Choice Voucher waiting list to ensure compliance with federal regulations and the Administrative Plan. The following corrective actions will be implemented:

- Waiting list updates conducted at least annually, with periodic interim updates as needed to ensure applicant records are accurate, current, and properly documented in accordance with Administrative Plan.
- Applicants who fail to respond to update requests will be removed in accordance with the Administrative Plan, and all actions will be fully documented.
- Written standard operating procedures are done in accordance with Administrative Plan, to ensure consistent management, updating, and documentation of the waiting list.
- Supervisory quality control reviews are performed quarterly to ensure compliance according to our SEMAP.
- Staff training is provided and will continue periodically to reinforce regulatory and policy requirements.

Finding: 2025-002 Record Keeping of Housing Voucher Cluster Tenant Files

Criteria: Housing Voucher Cluster tenant files should be maintained to ensure all compliance requirements of HUD are completed timely and appropriately.

Condition: Housing Voucher Cluster tenant files are not being completed based on compliance requirements of HUD.

Corrective Action Planned: The Housing Authority will implement procedures to enhanced file documentation to ensure tenant files comply with HUD requirements. Corrective actions include:

- A periodic review of active tenant files are conducted to identify and correct any missing or incomplete documentation.
- A standardized tenant file checklist has been implemented for all admissions, annual reexaminations, interim reexaminations, and ongoing file maintenance.

**Corrective Action Plan for Current Year Findings and Questioned Costs
Fiscal Year Ended September 30, 2025
(Continued)**

Finding: 2025-002 Record Keeping of Housing Voucher Cluster Tenant Files (Continued)

Corrective Action Planned (Continued):

- Supervisory file reviews are conducted, including quarterly quality control reviews.
- Continuous Required staff training on HUD file documentation and compliance standards will be completed by all staff.
- Accountability measures implemented to ensure staff compliance with file documentation requirements.

Finding: 2025-003 NSpire/Housing Quality Standards Inspections

Criteria: Public Housing Authorities must inspect the unit leased to a family at least biennially to determine if the unit meets Housing Quality Standards and the Public Housing Authority must conduct quality control re-inspections.

Condition: Quality control re-inspections on units leased to families were not conducted at least biennially (within a two-year period) on 3 of 43 Housing Voucher Cluster tenants tested.

Corrective Action Planned: The Housing Authority will implement procedures to strengthen inspection tracking and monitoring to ensure all required inspections and quality control re-inspections are conducted timely. Corrective actions include:

- An inspection tracking system to monitor will be implemented to reflect all inspection due dates, including quality control inspections.
- Review scheduling and completion of any outstanding quality control inspections has been implemented.
- Supervisory monitoring will be conducted to review inspection compliance monthly.
- Staff training will continue to reinforce inspection procedures and requirements.

Finding: 2025-004 Record Keeping of Reasonable Rent Determination in Tenant File

Criteria: The PHA Administrative Plan must state the method used to determine rent reasonableness, and this method must consider the unit's location, quality, size, unit type, unit age, and any amenities, housing services, maintenance, and utilities provided by the owner. Rent reasonableness must be determined at initial leasing, before any rent increase, and at the HAP contract anniversary if there is a 10 percent decrease in the published Fair Market Rent in effect 60 days before the HAP contract anniversary. The PHA must maintain records that document the basis for each rent reasonableness determination (initially and during the term of the HAP contract) per 24 CFR §§ 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507.

Condition: During testing of rent reasonableness documentation for tenants participating in the Housing Choice Voucher program, the PHA did not maintain a required rent reasonableness calculation worksheet for 1 of 43 tenant files selected for the fiscal year 2025. The tenant file lacked evidence showing how the PHA determined that the rent charged was reasonable compared to unassisted, comparable units in the market area.

Corrective Action Planned: The Housing Authority will implement procedures to ensure rent reasonableness determinations are properly completed and documented. Corrective actions include:

- Review of resident files will continue to be conducted to ensure reasonableness documentation within the file is complete and accurate.
- Rent reasonableness worksheets will be implemented for all new admissions, rent increases, and required re-determinations.
- A file compliance checklists has been implemented to ensure required documentation is maintained.

**Corrective Action Plan for Current Year Findings and Questioned Costs
Fiscal Year Ended September 30, 2025
(Continued)**

Finding: 2025-005 Housing Quality Standards (HQS) Enforcement

Criteria: Under 24 CFR § 982.405(d), PHAs must ensure HQS deficiencies in HAP assisted units are corrected within required timeframes. For life-threatening deficiencies, the PHA must inspect and notify the owner within 24 hours, and

the owner must make repairs within 24 hours of notification. For non-life-threatening deficiencies, the PHA must inspect and notify the owner within 15 days, and the owner must correct the deficiency within 30 days or within an approved extension. If an owner fails to correct deficiencies within the required period, the PHA must abate HAP no later than the first of the month following the correction deadline or terminate the HAP contract. Owners are not responsible for deficiencies caused by the family, including failure to pay required utilities or tenant-caused damage. Under 24 CFR §§ 982.158(d) and 982.404, for family-caused deficiencies that are not corrected, the PHA must take prompt enforcement action against the family.

Condition: 2 of 6 of tenants tested that had failed inspections did not have documentation in their tenant file to support that HQS deficiencies identified in units under a Housing Assistance Payments (HAP) contract were addressed within the required.

Corrective Action Planned: The Housing Authority will implement procedures to enhanced enforcement and documentation procedures to ensure timely correction of HQS deficiencies. Corrective actions include:

- A tracking log will be implemented to monitor failed inspections and required correction deadlines.
- Continuous Review of files will be conducted for inspections with identified deficiencies to ensure proper enforcement actions are taken.
- Documentation of all inspection results, notifications, abatements, and enforcement actions will be maintained in tenant files.
- Continuous Staff training will be conducted on HQS enforcement requirements and documentation standards.

Finding: 2025-006 Housing Assistance Payments (HAP)

Criteria: Per 24 CFR section 982.158 and 24 CFR Part 982, Subpart K, the PHA must pay a monthly HAP on behalf of the family that corresponds with the amount on line 12u of the HUD-50058. This HAP amount must be reflected on the HAP contract and HAP register.

Condition: During testing of HAP for tenants participating in the Housing Choice Voucher program, the PHA did not maintain a HAP contract and tenancy addendum for 6 of 43 tenant files selected for the fiscal year 2025. The tenant file lacked evidence showing that the PHA maintained these legal binding documents that signifies agreement of the contract terms from all parties.

Corrective Action Planned: A standardized HUD-compliant checklist will be implemented prior to lease execution and HAP payment. The checklist includes verification of:

- Executed HAP Contract
- Executed Tenancy Addendum
- Executed Lease Agreement
- HUD-50058
- Rent approval documentation

Person Responsible for Corrective Action:

Kimberly Sonnier, HCV Director
Housing Authority of the City of Lafayette
115 Kattie Drive
Lafayette, LA 70501

Phone: (337) 233-1327
Fax: (337) 593-9942

Anticipated Completion Date: September 30, 2026

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE, LOUISIANA
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2025

Section I Internal Control and Compliance Material to the Financial Statement

2024- 001 Failure to File Audited Financial Statements Timely

This finding was resolved for the year ended September 30, 2025

2024- 002 Check Fraud Incident Involving External Party

This finding was resolved for the year ended September 30, 2025

Section II Internal Control and Compliance Material to Federal Awards

This section is not applicable for the year ended September 30, 2025.

Section III Management Letter

This section is not applicable for the year ended September 30, 2025.

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Statement and Certification of Actual Modernization Cost
Year Ended September 30, 2025

EXHIBIT D(1)

	Complete CFP Project 2020 <u>LA48P005501-20</u>	Complete CFP Project 2021 <u>LA48P005501-21</u>	Complete CFP Project 2022 <u>LA48P005501-22</u>
Funds approved total	\$ 1,205,684	\$ 1,079,586	\$ 1,341,063
Funds expended Y-T-D	<u>1,205,684</u>	<u>1,079,586</u>	<u>1,341,063</u>
Excess of funds approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds advanced Y-T-D	\$ 1,205,684	\$ 1,079,586	\$ 1,341,063
Funds expended Y-T-D	<u>1,205,684</u>	<u>1,079,586</u>	<u>1,341,063</u>
Excess (Deficiency) of funds advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Director
Year Ended September 30, 2025

EXHIBIT D(2)

Agency Head Name: Lydia Bergeron (October 1, 2024 to December 27, 2024)

Purpose	Amount
Salary	\$ 65,331
Benefits-FICA	4,998
Benefits-insurance	353
Benefits - retirement	4,573
Cell phone	<u>192</u>
Total	<u>\$ 75,447</u>

Agency Head Name: Linda Anderson (January 8, 2025 to April 13, 2025)

Purpose	Amount
Salary	\$ 26,168
Benefits-FICA	1,971
Benefits-insurance	3,988
Benefits - retirement	2,101
Cell phone	<u>89</u>
Total	<u>\$ 34,317</u>

Agency Head Name: Latweeta Smyers (April 14, 2025 to September 30, 2025)

Purpose	Amount
Salary	\$ 67,692
Benefits-FICA	5,178
Benefits-insurance	4,292
Travel	3,476
Cell phone	280
Training	2,000
Moving expense	5,000
Use of Vehicle	292
Other	<u>749</u>
Total	<u>\$ 88,959</u>

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

FEDERAL GRANTOR PROGRAM TITLE	<u>ASSISTANCE LISTING #</u>	<u>PROGRAM EXPENDITURES</u>
U. S. Department of Housing and Urban Development		
Direct Programs:		
Housing Voucher Cluster		
Housing Choice Voucher Program	14.871	\$ 14,585,632
Emergency Housing Voucher Program	14.871	85,006
Mainstream Vouchers	14.879	832,808
Total Housing Voucher Cluster		<u>15,503,446</u>
Other Programs		
Family Self-Sufficiency Program	14.896	95,462
Resident Opportunity and Supportive Services	14.870	86,739
Public Housing Operating Fund	14.850	1,835,848
Public Housing Capital Fund	14.872	<u>1,943,423</u>
Total Other Programs		<u>3,961,472</u>
Total United States Department of Housing and Urban Development		<u>\$ 19,464,918</u>
Total Expenditures of Federal Awards		<u>\$ 19,464,918</u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF THE CITY OF LAFAYETTE
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the City of Lafayette (the “Housing Authority”) under programs of the federal government for the year ended September 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing 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 allowable or are limited as to reimbursement.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

	<u>Federal Sources</u>
Primary Government	
Federal grants	\$ 19,464,918

NOTE 4 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 DE MINIMIS INDIRECT COST RATE

The Housing Authority has not elected to use the de minimis indirect cost rate permitted under 2 CFR §200.414(f). Indirect costs, if applicable, are allocated in accordance with the entity’s cost allocation plan or as specified by the terms of the federal award.

Housing Authority of the City of Lafayette, Louisiana (LA005)
Financial Data Schedules
Year Ended September 30, 2025

ENTITY WIDE BALANCE SHEET SUMMARY																	
	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program	14.IKE DHAP-IKE	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	97.109 Disaster Housing Assistance Grant	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total	
111 Cash - Unrestricted	1,387,084	-	85,097	409,766	-	410,457	8,758	145,771	1,850,257	-	374,048	48,736	883,482	5,603,456	-	5,603,456	
112 Cash Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
113 Cash - Other Restricted	-	9,717	834,276	-	-	-	-	98,314	59,231	-	-	-	-	1,001,538	-	1,001,538	
114 Cash - Tenant Security Deposits	94,914	-	53,979	-	-	-	-	-	-	-	-	-	-	148,893	-	148,893	
115 Cash restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-	67,994	-	-	-	-	67,994	-	67,994	
100 Total Cash	1,481,998	9,717	973,352	409,766	-	410,457	8,758	244,085	1,977,482	-	374,048	48,736	883,482	6,821,881	-	6,821,881	
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
122 Accounts Receivable - HUD Other Projects	128,360	-	-	-	13,107	-	-	-	-	19,341	-	-	-	160,808	-	160,808	
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	44,295	-	-	-	-	44,295	-	44,295	
125 Accounts Receivable - Miscellaneous	80,134	-	-	-	-	-	-	-	194,298	-	-	-	3,383,950	3,658,382	-	3,658,382	
126 Accounts receivable - Tenants	53,097	-	32,582	-	-	-	-	-	-	-	-	-	-	85,679	-	85,679	
126.1 Allowance for Doubtful Accounts - Tenants	(38,973)	-	-	-	-	-	-	-	-	-	-	-	-	(38,973)	-	(38,973)	
126.2 Allowance for Doubtful Accounts - Other	(63,884)	-	-	-	-	-	(1,609,119)	-	(52,735)	-	-	-	(2,818,713)	(4,544,451)	-	(4,544,451)	
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
128 Fraud Recovery	-	-	-	-	-	-	-	423	232,165	-	-	2,170	-	234,758	-	234,758	
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	(423)	(232,165)	-	-	(2,170)	-	(234,758)	-	(234,758)	
129 Accrued Interest Receivable	-	-	-	-	-	-	1,609,119	-	-	-	-	-	-	1,609,119	-	1,609,119	
120 Total receivables, Net of Allowances for Doubtful Accounts	158,734	-	32,582	-	13,107	-	-	-	185,858	19,341	-	-	565,237	974,859	-	974,859	
131 Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
132 Investments - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
142 Prepaid Expenses and Other Assets	332,559	-	155,320	-	-	-	-	-	21,397	-	-	-	58,732	568,008	-	568,008	
143 Inventories	62,333	-	-	-	-	-	-	-	-	-	-	-	-	62,333	-	62,333	
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
144 Inter Program Due From	-	-	-	303,425	-	-	277,587	-	-	-	-	-	142,534	723,546	(723,546)	-	
145 Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
150 Total Current Assets	2,035,624	9,717	1,161,254	713,191	13,107	410,457	286,345	244,085	2,184,737	19,341	374,048	48,736	1,649,985	9,150,627	(723,546)	8,427,081	
161 Land	964,417	-	521,324	-	-	-	-	-	-	-	-	-	-	1,485,741	-	1,485,741	
162 Buildings	22,032,394	-	38,717,598	-	-	-	-	-	36,744	-	-	-	944,970	61,731,706	-	61,731,706	
163 Furniture, Equipment & Machinery - Dwellings	130,711	-	-	-	-	-	-	-	-	-	-	-	-	130,711	-	130,711	
164 Furniture, Equipment & Machinery - Administration	437,560	-	3,033,576	-	-	-	-	-	110,521	-	-	-	114,924	3,696,581	-	3,696,581	
165 Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
166 Accumulated Depreciation	(17,312,380)	-	(8,759,684)	-	-	-	-	-	(103,737)	-	-	-	(966,711)	(27,142,512)	-	(27,142,512)	
167 Construction in Progress	1,042,449	-	-	-	-	-	-	-	-	-	-	-	-	1,042,449	-	1,042,449	
168 Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
160 Total Capital Assets, Net of Accumulated Depreciation	7,295,151	-	33,512,814	-	-	-	-	-	43,528	-	-	-	93,183	40,944,676	-	40,944,676	
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	500,674	-	-	8,810,000	-	-	-	-	-	-	9,310,674	-	9,310,674	
172 Notes, Loans & Mortgages Receivable - Non Current - Past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
174 Other Assets	-	-	96,659	-	-	-	-	-	600	-	-	-	-	97,259	-	97,259	
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
180 Total Non-Current Assets	7,295,151	-	33,609,473	500,674	-	-	8,810,000	-	44,128	-	-	-	93,183	50,352,609	-	50,352,609	
200 Deferred Outflow of Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
290 Total Assets and Deferred Outflow of Resources	9,330,775	9,717	34,770,727	1,213,865	13,107	410,457	9,096,345	244,085	2,228,865	19,341	374,048	48,736	1,743,168	59,503,236	(723,546)	58,779,690	

Housing Authority of the City of Lafayette, Louisiana (LA005)
Financial Data Schedules
Year Ended September 30, 2025

ENTITY WIDE BALANCE SHEET SUMMARY																
	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program	14.IKE DHAP-IKE	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	97.109 Disaster Housing Assistance Grant	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
311 Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	30,596	-	292,397	-	-	-	-	-	81,912	1,092	-	-	31,490	437,487	-	437,487
313 Accounts Payable > 90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	36,309	-	-	-	3,721	-	-	-	22,032	3,465	-	-	29,216	94,743	-	94,743
322 Accrued Compensated - Absences - Current Portion	74,668	-	-	-	413	-	-	-	84,900	2,644	-	-	45,380	208,005	-	208,005
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	10,729	-	-	-	-	-	-	-	-	-	-	10,729	-	10,729
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	140,397	-	-	-	-	140,397	-	140,397
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	67,174	-	-	-	-	-	-	-	-	-	-	-	-	67,174	-	67,174
341 Tenant Security Deposits	94,914	-	70,020	-	-	-	-	-	-	-	-	-	-	164,934	-	164,934
342 Unearned Revenue	14,184	-	9,287	-	-	-	-	-	-	-	-	557	-	24,028	-	24,028
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	114,864	-	-	-	-	-	-	-	-	-	-	114,864	-	114,864
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345 Other Current Liabilities	-	-	772,069	-	-	-	-	-	67,994	-	-	-	-	840,063	-	840,063
346 Accrued Liabilities - Other	210,342	-	327,394	1,323,028	-	-	1,574,779	-	53	-	-	-	218	3,435,814	-	3,435,814
347 Inter Program - Due To	-	167	-	14,587	8,352	-	-	-	111,253	8,175	-	-	581,012	723,546	(723,546)	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	528,187	167	1,596,760	1,337,615	12,486	-	1,574,779	-	508,541	15,376	-	557	687,316	6,261,784	(723,546)	5,538,238
351 Long-term Debt, Net of current - Capital Projects/Mortgage Revenue	-	-	22,860,136	-	-	-	-	-	-	-	-	-	-	22,860,136	-	22,860,136
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	3,837,044	-	-	-	-	-	-	-	-	-	-	3,837,044	-	3,837,044
354 Accrued Compensated Absences - Non Current	112,002	-	-	-	621	-	-	-	127,349	3,965	-	-	68,069	312,006	-	312,006
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	112,002	-	26,697,180	-	621	-	-	-	127,349	3,965	-	-	68,069	27,009,186	-	27,009,186
300 Total Liabilities	640,189	167	28,293,940	1,337,615	13,107	-	1,574,779	-	635,890	19,341	-	557	755,385	33,270,970	(723,546)	32,547,424
400 Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
508.4 Net investment in Capital Assets	7,295,151	-	8,387,400	-	-	-	-	-	43,528	-	-	-	93,183	15,819,262	-	15,819,262
511.4 Restricted Net Position	-	-	-	-	-	-	-	98,314	59,231	-	-	-	-	157,545	-	157,545
512.4 Unrestricted Net Position	1,395,435	9,550	(1,910,613)	(123,750)	-	410,457	7,521,566	145,771	1,490,216	-	374,048	48,179	894,600	10,255,459	-	10,255,459
513 Total Equity - Net Assets/Position	8,690,586	9,550	6,476,787	(123,750)	-	410,457	7,521,566	244,085	1,592,975	-	374,048	48,179	987,783	26,232,266	-	26,232,266
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	9,330,775	9,717	34,770,727	1,213,865	13,107	410,457	9,096,345	244,085	2,228,865	19,341	374,048	48,736	1,743,168	59,503,236	(723,546)	58,779,690

Housing Authority of the City of Lafayette, Louisiana (LA005)
 Financial Data Schedules
 Year Ended September 30, 2025

ENTITY WIDE REVENUE AND EXPENSE SUMMARY																
	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.IKE DHAP-IKE	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	97.109 Disaster Housing Assistance Grant	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	942,260	-	1,648,239	-	-	-	-	-	-	-	-	-	-	2,590,499	-	2,590,499
70400 Tenant Revenue - Other	150,333	-	148,808	-	-	-	-	-	-	-	-	-	-	299,141	-	299,141
70500 Total Tenant Revenue	1,092,593	-	1,797,047	-	-	-	-	-	-	-	-	-	-	2,889,640	-	2,889,640
70600 HUD PHA Operating Grants	2,624,826	-	-	-	95,462	-	-	832,808	14,585,632	86,739	-	85,006	-	18,310,473	-	18,310,473
70610 Capital Grants	1,154,445	-	-	-	-	-	-	-	-	-	-	-	-	1,154,445	-	1,154,445
70710 Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	856,985	856,985	(856,985)	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	35,040	35,040	(35,040)	-
70730 Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	199,620	199,620	(199,620)	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	1,091,645	1,091,645	(1,091,645)	-
70800 Other Government Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	19,648	246	2,333	8,579	-	-	232	-	36,904	-	-	-	9,675	77,617	-	77,617
712000 Mortgage Interest Income	-	-	-	-	-	-	283,574	-	-	-	-	-	-	283,574	-	283,574
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	1,973	16,221	-	-	850	-	19,044	-	19,044
71500 Other Revenue	177,815	-	440,690	-	-	-	-	-	247,889	-	-	-	7,292	873,686	-	873,686
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70000 Total Revenue	5,069,327	246	2,240,070	8,579	95,462	-	283,806	834,781	14,886,646	86,739	-	85,856	1,108,612	24,700,124	(1,091,645)	23,608,479
91100 Administrative Salaries	318,053	-	210,031	-	63,269	-	-	29,786	405,414	65,498	-	8,206	471,204	1,571,461	-	1,571,461
91200 Auditing Fees	21,349	-	-	-	-	-	-	-	29,355	-	-	-	16,532	67,236	-	67,236
91300 Management Fee	598,733	-	111,839	-	-	-	-	16,116	237,696	-	-	4,440	-	968,824	(856,985)	111,839
91310 Book-keeping Fee	38,212	-	-	-	-	-	-	10,073	148,560	-	-	2,775	-	199,620	(199,620)	-
91400 Advertising and Marketing	1,020	-	2,353	-	-	-	-	16	237	-	-	4	3,452	7,082	-	7,082
91500 Employee Benefit Contributions - Administrative	157,996	-	28,266	-	22,024	-	-	10,750	150,629	10,504	-	2,962	139,426	522,557	-	522,557
91600 Office Expenses	62,001	-	37,681	-	-	-	-	3,827	56,444	784	-	1,761	53,926	216,424	-	216,424
91700 Legal Expense	4,692	-	8,175	328	-	-	-	46	684	-	-	13	27,046	40,984	-	40,984
91800 Travel	7,698	-	5,939	-	1,766	-	-	140	2,069	3,796	-	39	15,298	36,745	-	36,745
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900 Other	95,152	167	67,315	3,327	4,335	-	185	4,041	59,607	1,247	-	407	132,917	368,700	-	368,700
91000 Total Operating - Administrative	1,304,906	167	471,599	3,655	91,394	-	185	74,795	1,090,695	81,829	-	20,607	859,801	3,999,633	(1,056,605)	2,943,028
92000 Asset Management Fee	35,040	-	-	-	-	-	-	-	-	-	-	-	-	35,040	(35,040)	-
92100 Tenant Services - Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92200 Relocation Costs	-	-	190,529	-	-	-	-	-	-	-	-	-	-	190,529	-	190,529
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92400 Tenant Services - Other	23,544	-	-	-	-	-	-	-	-	-	-	-	5	23,549	-	23,549
92500 Total Tenant Services	23,544	-	190,529	-	-	-	-	-	-	-	-	-	5	249,118	(35,040)	214,078
93100 Water	36,971	-	137,149	-	-	-	-	-	23	-	-	-	113	174,256	-	174,256
93200 Electricity	258,112	-	133,935	-	-	-	-	-	892	-	-	-	4,458	397,397	-	397,397
93300 Gas	17,105	-	-	-	-	-	-	-	925	-	-	-	1,102	19,132	-	19,132
93400 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600 Sewer	113,027	-	-	-	-	-	-	-	71	-	-	-	246	113,344	-	113,344

Housing Authority of the City of Lafayette, Louisiana (LA005)
 Financial Data Schedules
 Year Ended September 30, 2025

ENTITY WIDE REVENUE AND EXPENSE SUMMARY																
	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program	14.IKE DHAP-IKE	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	97.109 Disaster Housing Assistance Grant	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	163	-	-	-	-	-	-	-	-	-	-	-	8	171	-	171
93000 Total utilities	425,378	-	271,084	-	-	-	-	-	1,911	-	-	-	5,927	704,300	-	704,300
94100 Ordinary Maintenance and Operations - Labor	568,060	-	34,565	-	-	-	-	-	-	-	-	-	-	602,625	-	602,625
94200 Ordinary Maintenance and Operations - Materials and Other	257,287	-	135,653	-	-	-	-	697	10,279	-	-	192	11,872	415,980	-	415,980
94300 Ordinary Maintenance and Operations Contracts	569,244	-	652,317	-	-	-	-	3,372	49,689	447	-	929	64,790	1,340,788	-	1,340,788
94500 Employee Benefit Contributions - Ordinary Maintenance	179,765	-	5,900	-	-	-	-	-	-	-	-	-	-	185,665	-	185,665
94000 Total Maintenance	1,574,356	-	828,435	-	-	-	-	4,069	59,968	447	-	1,121	76,662	2,545,058	-	2,545,058
95100 Protective Services - Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95300 Protective Services - Other	7,697	-	-	-	-	-	-	126	1,860	-	-	35	419	10,137	-	10,137
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	7,697	-	-	-	-	-	-	126	1,860	-	-	35	419	10,137	-	10,137
96110 Property Insurance	571,952	-	451,314	-	-	-	-	-	-	-	-	-	23,010	1,046,276	-	1,046,276
96120 Liability Insurance	6,587	-	-	-	-	-	-	244	3,603	-	-	67	4,357	14,858	-	14,858
96130 Workmen's Compensation	19,956	-	218	-	-	-	-	657	9,686	-	-	181	10,786	41,484	-	41,484
96140 All Other Insurance	47,372	-	-	-	-	-	-	1,027	15,140	-	-	283	43,420	107,242	-	107,242
96100 Total Insurance premiums	645,867	-	451,532	-	-	-	-	1,928	28,429	-	-	531	81,573	1,209,860	-	1,209,860
96200 Other General Expenses	-	-	41,657	-	-	-	-	565	20,521	-	-	644	-	63,387	-	63,387
96210 Compensated Absences	39,343	-	-	-	4,068	-	-	-	33,905	4,463	-	-	31,579	113,358	-	113,358
96300 Payments in Lieu of Taxes	67,174	-	-	-	-	-	-	-	-	-	-	-	-	67,174	-	67,174
96400 Bad Debt - Tenant Rents	21,089	-	31,002	-	-	-	-	-	-	-	-	-	-	52,091	-	52,091
96500 Bad Debt - Mortgages	-	-	-	-	-	-	283,574	-	-	-	-	-	-	283,574	-	283,574
96600 Bad Debt - Other	-	-	-	-	-	-	-	-	22,764	-	-	-	-	22,764	-	22,764
96800 Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	127,606	-	72,659	-	4,068	-	283,574	565	77,190	4,463	-	644	31,579	602,348	-	602,348
96710 Interest of Mortgage (or Bonds) Payable	-	-	684,673	-	-	-	-	-	-	-	-	-	-	684,673	-	684,673
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	684,673	-	-	-	-	-	-	-	-	-	-	684,673	-	684,673
96900 Total Operating Expenses	4,144,394	167	2,970,511	3,655	95,462	-	283,759	81,483	1,260,053	86,739	-	22,938	1,055,966	10,005,127	(1,091,645)	8,913,482
97000 Excess of Operating Revenue over Operating Expenses	924,933	79	(730,441)	4,924	-	-	47	753,298	13,626,593	-	-	62,918	52,646	14,694,997	-	14,694,997
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	170,700	-	-	-	-	-	-	-	-	-	-	-	-	170,700	-	170,700
97300 Housing Assistance Payments	-	-	-	-	-	-	-	717,438	12,981,730	-	-	240,485	-	13,939,653	-	13,939,653
97350 HAP Portability-In	-	-	-	-	-	-	-	-	249,976	-	-	-	-	249,976	-	249,976
97400 Depreciation Expense	516,751	-	1,302,613	-	-	-	-	-	13,248	-	-	-	13,625	1,846,237	-	1,846,237
97500 Fraud Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97600 Capital Outlays - Government Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Government Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9000 Total Expenses	4,831,845	167	4,273,124	3,655	95,462	-	283,759	798,921	14,505,007	86,739	-	263,423	1,069,591	26,211,693	(1,091,645)	25,120,048

Housing Authority of the City of Lafayette, Louisiana (LA005)
 Financial Data Schedules
 Year Ended September 30, 2025

Entity Wide Revenue and Expense Summary																
	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program	14.IKE DHAP-IKE	I Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	97.109 Disaster Housing Assistance Grant	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In	788,978	-	-	-	-	-	-	-	10,529	-	-	-	315,000	1,114,507	(1,114,507)	-
10020 Operating Transfer Out	(788,978)	-	-	(315,000)	-	-	(10,529)	-	-	-	-	-	-	(1,114,507)	1,114,507	-
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	650,000	-	-	-	-	-	-	-	-	-	-	-	-	650,000	(650,000)	-
10092 Inter Project Excess Cash Transfer Out	(650,000)	-	-	-	-	-	-	-	-	-	-	-	-	(650,000)	650,000	-
10093 Transfers between Program and Project-In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100 Total Other Financing Sources (Uses)	-	-	-	(315,000)	-	-	(10,529)	-	10,529	-	-	-	315,000	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	237,482	79	(2,033,054)	(310,076)	-	-	(10,482)	35,860	392,168	-	-	(177,567)	354,021	(1,511,569)	-	(1,511,569)
11020 Required Annual Debt Principal Payments	-	-	138,513	-	-	-	-	-	-	-	-	-	-	138,513	-	138,513
11030 Beginning Equity	8,573,123	9,471	6,702,663	186,326	-	410,457	7,532,048	208,225	1,357,784	-	374,048	225,746	708,571	26,288,462	-	26,288,462
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(120,019)	-	1,807,178	-	-	-	-	-	(156,977)	-	-	-	(74,809)	1,455,373	-	1,455,373
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	-	-	-	-	-	-	-	-	1,542,564	-	-	-	-	1,542,564	-	1,542,564
11180 Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	59,231	-	-	-	-	59,231	-	59,231
11190 Unit Months Available	5,584	-	2,124	-	-	-	-	1,956	23,808	-	-	444	-	33,916	-	33,916
11210 Number of Unit Months Leased	5,095	-	1,812	-	-	-	-	1,343	19,808	-	-	370	-	28,428	-	28,428
11270 Excess Cash	765,695	-	-	-	-	-	-	-	-	-	-	-	-	765,695	-	765,695
11610 Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620 Building Purchases	780,493	-	-	-	-	-	-	-	-	-	-	-	-	780,493	-	780,493
11630 Furniture & Equipment - Dwelling Purchases	81,592	-	-	-	-	-	-	-	-	-	-	-	-	81,592	-	81,592
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



OTHER LOCATIONS:

Lafayette Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Housing Authority of the City of Lafayette (the "Housing Authority") and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2024 through September 30, 2025. The Housing Authority's management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2024 through September 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and addressed above except for monitoring and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
No exceptions noted.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
No exceptions noted.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and addressed the above except for management's actions to determine the completeness of all collections for each type of revenue.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and addressed the above except for (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and addressed the above except for (3) legal review, (4) approval process, and (5) monitoring process.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions noted.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Written policies and procedures were obtained and addressed the above except for (4) required approvers of statements.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and addressed the above except for (3) system to monitor possible ethics violations and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This section is not applicable. The Housing Authority does not have debt service.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and did not address any of the above.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and addressed the above except for (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Observed that the board/finance committee did not meet for one month during the fiscal year.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions noted.

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

This section is not applicable. The Housing Authority did not have a negative ending unassigned fund balance in the prior year.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

This section is not applicable. The Housing Authority's prior year audit report was not presented until September 2025; therefore, no meetings during the fiscal year ending September 30, 2025, could have included written updates of the progress of resolving audit finding(s).

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
No exceptions noted.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
Bank reconciliations do not include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared.
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
No exceptions noted.

4) Collections (excluding electronic funds transfers)

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

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

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the listing is complete. Selected all locations that process payments as there were less than 5.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions noted.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions noted.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
No exceptions noted.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
No exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
An employee other than authorized check signers approve electronic disbursements.
- [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
No exceptions noted.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Observed that the electronic disbursement tested was not approved by only those persons authorized to disburse funds per the entity's policy.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained from management a listing of all active cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, and management provided representation that the listing is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Observed there is no evidence that the monthly statements tested and supporting documentation have all been approved, in writing, by someone other than the authorized card holder.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Observed that one transaction tested did not include (1) an original itemized receipt that identifies precisely what was purchased. No other exceptions.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
No exceptions noted.
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
None of the reimbursements tested were reimbursed using actual costs.
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
No exceptions noted.
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
No exceptions noted.
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
Observed one out of five contracts tested was not approved by the governing body/board.
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
No exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) Payroll and Personnel

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

Obtained a listing of employees and officials employed during the fiscal period, and management provided representation that the listing is complete. Selected all employees as there were less than 5 and agreed paid salaries to authorized salaries/pay rates in personnel files.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions noted.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

This section is not applicable. There were no changes to the Housing Authority's ethics policy during the fiscal year.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) Debt Service

This section is not applicable. Management asserted that the Housing Authority did not have any bond/notes and other debt instruments issued during the fiscal period or outstanding at the end of the fiscal period.

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

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management asserted that there were no misappropriations of public funds and assets during the fiscal period.

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

The Housing Authority has the notice posted on its premises, however it is not posted on their website.

13) Information Technology Disaster Recovery/Business Continuity

Reporting the results tested in this section was not required in 09/30/2024 (Year 1), therefore this section is not applicable in the year ending 09/30/2025 (Year 2).

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**:

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
1. Hired before June 9, 2020 - completed the training; and
 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions noted.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Observed the Housing Authority does not have posted its sexual harassment policy and complaint procedure on its website.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

The Housing Authority's sexual harassment report for the current fiscal period is dated later than February 1, 2025.

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions noted.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions noted.

- v. Amount of time it took to resolve each complaint.

No exceptions noted.

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

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

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

March 3, 2026

February 27, 2026

Darnell, Sikes & Frederick
A Corporation of Certified Public Accountants
Eunice, Louisiana

The following is management's response to exceptions noted regarding the 2025 AUP report submitted for the Housing Authority of the City of Lafayette.

1. **Written policies and procedures**

- Written policies and procedures do not include the following:
 - o **Budgeting:** Monitoring and amending
 - o **Receipts/Collections:** Management's actions to determine the completeness of all collections for each type of revenue
 - o **Payroll/Personnel:** (3) Approval process for employee rates of pay or approval and maintenance of pay rate schedules
 - o **Contracting:** (3) Legal review, (4) approval process, and (5) monitoring process
 - o **Credit Cards:** (4) Required approvers of statements
 - o **Ethics:** (3) System to monitor possible ethics violations and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy
 - o **Information Technology Disaster Recovery/Business Continuity:** (1) Identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event
 - o **Prevention of Sexual Harassment:** (2) Annual employee training and (3) annual reporting

Response:

- We are currently reviewing our policies to include the items listed noted above.

2. **Board**

- The board did not meet in July 2025.

Response:

- LHA will document missed board meetings and provide reasoning why in the future. Matters related to missed board meetings will be discussed in the following meeting.

3. Bank Reconciliations

- Bank recs do not include written documentation of the date the bank rec was reviewed.

Response:

- Starting in January, bank reconciliations prepared by the accounting supervisor will be signed and dated by the reviewer, the Executive Director.

4. Disbursements

- Authorized check signers do not approve electronic disbursements before they are paid.

Response:

- Prior to paying electronic disbursements, the supervisor will input the appropriate vendors into the system and give approval to pay the checks starting this fiscal year.

5. Credit Cards

- Not all credit card statements and supporting documentation had evidence of written approval.
- There was one transaction tested on the statements that did not have an itemized receipt showing what was purchased.

Response:

- Credit card users will provide written approval by their supervisor of the items that they are purchasing prior to purchase and will provide appropriate documentation to accounting.

6. Contracts

- The Advanced Cleaning contract initiated during the year ending 09/30/2025 did not include proper signatures on the contract noting proper approval.

Response:

- Greater emphasis by management to obtain proper signatures of contracts will be put in place. Procurement and requisition procedures and policies are being reviewed.

7. Fraud

- The fraud notice required by R.S. 24:523.1 is not posted on your website.

Response:

- Fraud notice will be placed on the website to comply with R.S. 24:523.1.

8. Sexual Harassment

- The sexual harassment policy and complaint procedure is not posted on your website.
- The 2024 sexual harassment report is dated after February 1, 2025.

Response:

- The sexual harassment policy and complaint procedure has been posted on our website.