

**HOUSING AUTHORITY OF
BREAUX BRIDGE, LOUISIANA**
Breaux Bridge, Louisiana

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

Year Ended September 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Housing Authority of Breaux Bridge.
Breux Bridge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund of the Housing Authority of Breaux Bridge, Louisiana as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of Breaux Bridge, Louisiana'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 each major fund, of the Housing Authority of Breaux Bridge, Louisiana as of and for the year ended September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Also included in Supplementary Information is an Agreed-Upon Procedures report, which reports on an Agreed-Upon Procedures engagement now required by the Louisiana Legislative Auditor. Our opinion is not modified in respect to this matter

Other Matters

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of Breaux Bridge, Louisiana 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.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of Breaux Bridge, Louisiana'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 Housing Authority of Breaux Bridge, Louisiana'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 Housing Authority of Breaux Bridge, Louisiana'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 11 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 Housing Authority of Breaux Bridge, Louisiana's basic financial statements. The statement of modernization costs-uncompleted, financial data schedules, and 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 are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards 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 January 18, 2024 on our consideration of the Housing Authority of Breaux Bridge, Louisiana'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 Housing Authority of Breaux Bridge, Louisiana'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 Housing Authority of Breaux Bridge, Louisiana's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
January 18, 2024

HOUSING AUTHORITY OF BREAUX BRIDGE, LA
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
September 30, 2023

HOUSING AUTHORITY OF BREAUX BRIDGE, LA
Management's Discussion and Analysis (MD&A)
September 30, 2023

The management of Housing of Authority of Breaux Bridge, LA presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2023. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$1,812,761 at the close of the fiscal year ended 2023.
 - Of this amount \$927,142 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - The remainder of \$885,619 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 106% of the total operating expenses of \$838,962 for the fiscal year 2023, which means the Authority might be able to operate about 14 months using the unrestricted assets alone, compared to 11 months in the prior fiscal year.
- The Housing Authority's total net position increased by \$235,246, a 15% increase from the prior fiscal year 2022.
- The increase in net position of these funds was accompanied by an increase in unrestricted cash by \$93,191 from fiscal year 2022.
- The Authority Spent \$232,005 on capital asset additions.
- These changes led to an increase in total assets by \$200,128 and a decrease in total liabilities by \$35,118. As related measure of financial health, there are still over \$19 of current assets covering each dollar of total current liabilities, which compares to \$10 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

HOUSING AUTHORITY OF BREAUX BRIDGE, LA
Management’s Discussion and Analysis (MD&A)
September 30, 2023

Reporting on the Housing Authority as a Whole

One of the most important questions 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 2023?” 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 help answers 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.

Fund Financial Statements

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

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

USING THIS ANNUAL REPORT

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

Public Housing Capital Fund Program	\$ 424,677
Low Rent Public Housing	<u>302,227</u>
Total funding received this current fiscal year	<u>\$ 726,904</u>

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

Reporting the Housing Authority’s Most Significant Funds

The Housing Authority’s financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority’s enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority’s services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

HOUSING AUTHORITY OF BREAUX BRIDGE, LA
Management's Discussion and Analysis (MD&A)
September 30, 2023

FINANCIAL ANALYSIS

The Housing Authority's net position was \$1,812,761 as of September 30, 2023. Of this amount, \$927,142 was invested in capital assets and \$885,619 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general net position. HOUSING AUTHORITY OF BREAUX BRIDGE, LA

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Position
As of September 30, 2023**

	2023	2022
ASSETS		
Current assets	\$ 943,456	\$ 837,637
Assets restricted for Housing Choice Voucher (HCV) program	-	408
Capital assets, net of depreciation	<u>927,142</u>	<u>832,425</u>
Total assets	<u>1,870,598</u>	<u>1,670,470</u>
LIABILITIES		
Current liabilities	49,659	85,621
Non-current liabilities	<u>8,178</u>	<u>7,334</u>
Total liabilities	<u>57,837</u>	<u>92,955</u>
NET POSITION		
Invested in capital assets, net of depreciation	927,142	832,425
Unrestricted net position	<u>885,619</u>	<u>745,090</u>
Total net position	<u>\$ 1,812,761</u>	<u>\$ 1,577,515</u>

The net position of these funds increased by \$235,246, or by 15%, from those of fiscal year 2022, as explained below. In the narrative that follows, the detail factors causing this change are discussed:.

Housing Authority of Breaux Bridge, LA
Management's Discussion and Analysis (MD&A)
September 30, 2023

CONDENSED FINANCIAL STATEMENTS (Continued)

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position
Fiscal Year Ended September 30, 2023**

	2023	2022
OPERATING REVENUES		
Tenant revenue	\$ 275,119	\$ 263,928
HUD grants for operations	494,899	386,920
Other tenant revenue	5,469	3,060
Other non-tenant revenue	59,984	72,709
Fraud recovery	2,304	-
Total operating revenues	837,775	726,617
OPERATING EXPENSES		
General	167,909	141,817
Ordinary maintenance and repairs	241,621	238,898
Administrative expenses and management fees	200,060	182,939
Utilities	81,014	74,537
Protective services	175	420
Tenant service	10,895	9,918
Depreciation	137,288	112,738
Total operating expenses	838,962	761,267
Income (losses) from operations	(1,187)	(34,650)
NON-OPERATING REVENUES (EXPENSES)		
Interest income	4,428	850
Total non-operating revenues (expenses)	4,428	850
Income (losses) before capital contributions	3,241	(33,800)
CAPITAL CONTRIBUTIONS	232,005	154,543
CHANGES IN NET POSITION	235,246	120,743
NET POSITION - BEGINNING	1,577,515	1,456,772
NET POSITION - ENDING	\$ 1,812,761	\$ 1,577,515

HOUSING AUTHORITY OF BREAUX BRIDGE
Management's Discussion and Analysis (MD&A)
September 30, 2023

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and capital contributions increased \$188,620 from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$13,600 from that of the prior fiscal year because the amount of rent each tenant pays is based on a sliding scale of their personal income. Included in this total is other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) which increased by \$2,409.
- Federal revenues from HUD for operations increased by \$107,979 from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant.
- Federal Capital Funds from HUD increased by \$77,462 from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2018 through 2022 and submitted a new grant during fiscal year 2023.
- Total other operating revenue decreased by \$10,421 and interest income increased by \$3, from the prior fiscal year.

Compared with the prior fiscal year, total operating expenses increased \$77,695, or by 10%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$24,550 from that of the prior fiscal year.
- Maintenance and repairs increased by \$2,723 from that of the prior fiscal year due to changes in the following: Repair staff wages increased by \$3,288 and related employee benefit contributions decreased by \$1,113. Materials used decreased by \$4,978 and contract labor costs increased by \$5,526.
- General Expenses increased by \$26,092 from that of the prior fiscal year. Payments in lieu of taxes (PILOT) increased by \$471. PILOT is calculated as a percentage of rent minus utilities and therefore changed proportionately to the changes in each of these. Insurance premiums increased by \$23,012, other general expenses increased by \$426 and bad debts decreased by \$649. Lastly, compensated absences increased by \$2,832.
- Administrative Expenses increased by \$17,121 from that of the prior fiscal year due to a combination of factors. Administrative staff salaries increased by \$17,680 and related employee benefit contributions increased by \$6,095; therefore, total staff salaries and benefit costs increased. Outside professional fees changed as follows: audit fees increased by \$10,050. In addition, staff travel reimbursements decreased by \$3,835, office expenses decreased by \$12,995 and sundry expenses increased by \$126.
- Utilities Expense increased by \$6,477 from that of the prior fiscal year because water cost increased by \$742, electricity cost increased by \$747, gas cost increased by \$21, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$4,967.

HOUSING AUTHORITY OF BREAUX BRIDGE
Management’s Discussion and Analysis (MD&A)
September 30, 2023

- Total Tenant Services increased by \$977 from that of the prior fiscal year.
- Protective services decreased by \$245 from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2023, the Housing Authority had a total cost of \$6,722,330 invested in a broad range of assets and construction in progress from projects funded in 2018 through 2022, listed below. This amount, not including depreciation, represents an increase of \$232,005 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

	2023	2022
Land	\$ 83,985	\$ 83,985
Construction in progress	-	159,709
Buildings	5,652,373	5,260,660
Leasehold improvements	787,041	787,040
Furniture and equipment	198,931	198,931
Accumulated depreciation	<u>(5,795,188)</u>	<u>(5,657,900)</u>
Total	<u>\$ 927,142</u>	<u>\$ 832,425</u>

As of the end of the 2023 fiscal year, the Authority is still in the process of completing HUD grants of \$1,061,637 obtained during 2018 through 2022 fiscal years. A total remainder of \$316,868 will be received and spent for completing these projects during fiscal year 2024.

Debt

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The capital budgets for the 2024 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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

HOUSING AUTHORITY OF BREAUX BRIDGE
Management's Discussion and Analysis (MD&A)
September 30, 2023

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have any questions about this report, or wish to request additional financial information, contact Tara A. Gordon, at Housing Authority of Breaux Bridge, LA PO Box 878, Breaux Bridge, LA 70517.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA

Statement of Net Position
September 30, 2023

ASSETS	
Current assets	
Cash and cash equivalents	\$ 600,589
Investments	225,000
Interest receivable	112
Prepaid items and other assets	78,134
Inventories	12,784
Restricted assets - cash and cash equivalents	<u>26,837</u>
Total current assets	<u>943,456</u>
Capital assets, net	
Land and other non-depreciated assets	83,985
Other capital assets - net of depreciation	<u>843,157</u>
Total capital assets, net	<u>927,142</u>
Total assets	<u>\$ 1,870,598</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 17,533
Unearned income	1,827
Compensated absences payable	5,232
Deposits due others	<u>25,067</u>
Total current liabilities	<u>49,659</u>
Noncurrent liabilities	
Compensated absences payable	<u>8,178</u>
Total liabilities	<u>57,837</u>
NET POSITION	
Net investment in capital assets	927,142
Unrestricted	<u>885,619</u>
Net position	<u>\$ 1,812,761</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA

Statement of Revenues
Expenses and Changes in Fund Net Position
Year Ended September 30, 2023

OPERATING REVENUES	
Dwelling rental	\$ 275,119
Governmental operating grants	494,899
Tenant revenue - other	5,469
Other non-tenant revenue	59,984
Fraud recovery	<u>2,304</u>
Total operating revenues	<u>837,775</u>
OPERATING EXPENSES	
Administration	200,060
Tenant services	10,895
Utilities	81,014
Protective services	175
Ordinary maintenance and operations	241,621
General expenses	167,909
Depreciation	<u>137,288</u>
Total operating expenses	<u>838,962</u>
Income from operations	<u>(1,187)</u>
NON-OPERATING REVENUES	
Interest income	<u>4,428</u>
Total non-operating revenues	<u>4,428</u>
Income before contributions	3,241
CAPITAL CONTRIBUTIONS	<u>232,005</u>
CHANGES IN NET POSITION	235,246
NET POSITION - BEGINNING	<u>1,577,515</u>
NET POSITION - ENDING	<u>\$ 1,812,761</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA

Statement of Cash Flows
Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 273,777
Other receipts	5,470
Payments to vendors	(520,175)
Payments to employees - net	<u>(229,544)</u>
Net cash provided by operating activities	<u>(470,472)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash provided by non-capital Federal grants	495,973
Cash provided by other sources of income	<u>62,289</u>
Net cash provided by non-capital financing activities	<u>558,262</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and construction of capital assets	(232,005)
Proceeds from capital grants	<u>234,654</u>
Net cash provided (used) by capital and related financing activities	<u>2,649</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>4,428</u>
Net cash provided by investing activities	<u>4,428</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	94,867
CASH AND CASH EQUIVALENTS	
Beginning of fiscal year	<u>532,559</u>
CASH AND CASH EQUIVALENTS	
End of fiscal year	<u>\$ 627,426</u>

(Continued)

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA

Statement of Cash Flows
Year Ended September 30, 2023

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ (63,475)
Adjustment to reconcile operating to net cash provided by operating activities:	
Cash provided by non-capital Federal grants and other (financing activity)	(495,973)
Depreciation expense	137,288
Provision of uncollectible accounts	(4,438)
Change in assets and liabilities and changes in deferred inflows:	
Receivables	6,272
Inventories	682
Prepaid items	(20,319)
Account payables	(24,951)
Accrued salaries and benefits	1,296
Other liabilities	(6,760)
Deposits due others	<u>(94)</u>
Net cash provided by operations	<u>\$ (470,472)</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

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HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
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 Breaux Bridge 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 dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Breaux Bridge, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 2014	98
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GASB Statement 14 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 Breaux Bridge since the City of Breaux Bridge appoints a voting majority of the Housing Authority's governing board. The City of Breaux Bridge 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 Breaux Bridge. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Breaux Bridge.

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:

- 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 impose specific financial burdens on the government.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

- 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 there are no component units that should be considered as part of the Housing Authority reporting entity.

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 the transactions of the Public Housing Low Rent Program and the Capital Fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS

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 sheet.

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 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.

D. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money marketing accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

On the Statement of Cash Flows, cash and cash equivalents, end of year is \$627,426. This is comprised of cash and cash equivalents of \$600,589 and restricted assets – cash of \$26,837, on the statement of net position.

E. INVESTMENTS

Investments are limited to L.S. – R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contract include time deposits, with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. REVENUE RECOGNITION

Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY

All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

H. PREPAID ITEMS

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

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

I. CAPITAL ASSETS

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$2,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and equipment	3-7 years
Computers	3 years

J. UNEARNED INCOME

The Housing Authority reports prepaid revenues in its statement of net position. Prepaid revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for prepaid revenue is removed from the statement of net position and the revenue is recognized.

K. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual sick leave. Employees, except as noted hereafter, may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date. According to terms of her Employment Agreement, the E.D. may accrue a maximum of 600 hours of vacation leave.

L. POST EMPLOYMENT BENEFITS

The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

M. NET POSITION AND FLOW ASSUMPTIONS

Net position is reported as restricted when constraints are placed on net position use as 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 net positions are available.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

N. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS AND INVESTMENTS

The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2023. Deposits are stated at cost, which approximates fair value.

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

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$26,837 is restricted in the General Fund for security deposits.

At September 30, 2023, the Housing Authority's carrying amount of deposits was \$852,426 and the bank balance was \$851,150, which includes \$225,000 in certificates of deposits classified as investments. Petty cash consists of \$200. \$475,000 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$376,150 was covered by pledged securities. However, this \$376,150 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 CAPITAL ASSETS

The changes in capital assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets				
Land and buildings	\$ 83,985	\$ -	\$ -	\$ 83,985
Construction in progress	159,709	-	(159,709)	-
Depreciable assets				
Buildings	6,047,699	391,714	-	6,439,413
Furniture and equipment	<u>198,931</u>	<u>-</u>	<u>-</u>	<u>198,931</u>
Total capital assets	6,490,324	391,714	(159,709)	6,722,329
Less: accumulated depreciation				
Buildings	5,480,168	126,884	-	5,607,052
Furniture and equipment	<u>177,731</u>	<u>10,404</u>	<u>-</u>	<u>188,135</u>
Total accumulated depreciation	<u>5,657,899</u>	<u>137,288</u>	<u>-</u>	<u>5,795,187</u>
Total capital assets, net	<u>\$ 832,425</u>	<u>\$ 254,426</u>	<u>\$(159,709)</u>	<u>\$ 927,142</u>

NOTE 4 ACCOUNTS PAYABLE

The payables at September 30, 2023 are as follows:

Vendors	\$ 14,484
Payroll taxes and retirement withheld	<u>3,049</u>
Total	<u>\$ 17,533</u>

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HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5 COMPENSATED ABSENCES

At September 30, 2023, employees of the Housing Authority have accumulated and vested \$13,410 of employee leave computed in accordance with GASB, Codification Section C60.

The following is a summary of the long-term obligation transactions for the year ended September 30, 2023.

	Compensated Absences
Balance beginning	\$ 12,448
Additions - net	962
Balance, ending	\$ 13,410
Amounts due in one year	\$ 5,232

NOTE 6 RETIREMENT SYSTEM

The Housing Authority participates in the Housing Agency Retirement Trust (HART), which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan after completing one month 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 a monthly contribution equal to 22.15% of each participant's basic (excludes overtime) compensation. The payment represents a 6% contribution by the employee, and an 8.2% contribution by the Housing Authority. In addition, the PHA contributes an additional 7.65% monthly in lieu of social security.

The Housing Authority's contribution for each employee and income allocated to the employee's account is 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 first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Agency Retirement Trust (HART) may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$29,677 for the year ended September 30, 2023, of which \$21,013 was paid by the Housing Authority and \$8,664 was paid by employees. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 COMMITMENTS AND CONTINGENCIES

Commitments - On September 10, 2020, the Authority entered into an employment agreement with the Executive Director. The agreement became retroactively effective August 31, 2020 and is for five years. The agreement may be renewed for an additional five years, upon approval by the Board of Commissioners. However, the agreement may be terminated sooner, by either party.

The Board must give due notice and follow certain procedures to terminate the Executive Director for cause. In such event, the Executive Director must be paid salary earned through termination, plus accrued annual leave and other benefits.

The Board may also terminate the Executive Director without cause, when in its judgement, such termination is in the best interest of the Authority. In such event the Director is to be paid the remaining salary for the unexpired portion of the five year contract, plus accrued annual leave and other benefits.

Litigation – The Housing Authority is not presently involved in litigation.

Grant Disallowances – The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects – There are certain renovation or construction projects in progress at September 30, 2023. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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; and natural disasters for which the Housing Authority carries commercial insurance.

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

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

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council, Inc. Group Self Insurance Risk Management Agency risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 ECONOMIC DEPENDENCE

The Department of Housing and Urban Development provided \$726,904 to the Housing Authority, which represents approximately 68% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the statement of net position date through January 18, 2024, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

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 Breaux Bridge
Breux Bridge, 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 Breaux Bridge, Louisiana, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Breaux Bridge, Louisiana's basic financial statements, and have issued our report thereon dated January 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of Breaux Bridge, 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 Breaux Bridge, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Breaux Bridge, 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 Breaux Bridge, 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and 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
January 18, 2024

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 Breaux Bridge
Breaux Bridge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of Breaux Bridge, Louisiana'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 Breaux Bridge, Louisiana's major federal programs for the year ended September 30, 2023. The Housing Authority of Breaux Bridge, Louisiana'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 Breaux Bridge, Louisiana 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 year ended September 30, 2023.

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 Breaux Bridge, Louisiana 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 Breaux Bridge, Louisiana's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible 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 Breaux Bridge, Louisiana's 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 Breaux Bridge, Louisiana's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Authority of Breaux Bridge, 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 Breaux Bridge, Louisiana'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 Breaux Bridge, Louisiana'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 Breaux Bridge, Louisiana's internal control over compliance. Accordingly no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Breaux Bridge, Louisiana of each major fund, and the aggregate remaining fund information of the Housing Authority of Breaux Bridge, Louisiana, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority of Breaux Bridge, Louisiana's basic financial statements. We issued our report thereon dated January 18, 2024, 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
January 18, 2024

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Schedule of Findings and Questioned Costs
September 30, 2023

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 none reported
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)? _____ yes X no
4. The programs tested as major programs include:

CFDA# 14.850a Low-Income Housing Operating Subsidy
CFDA# 14.850a COVID-19 Low-Income Operating Subsidy
5. Dollar threshold used to distinguish between Type A and Type B Programs as described in the Uniform Guidance (2 CFR 200): \$ 750,000
6. Auditee qualified as low-risk auditee under Uniform Guidance (2 CFR 200)? X yes _____ no
7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
September 30, 2023

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

None

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Corrective Action Plan
Year Ended September 30, 2023

There were no audit findings.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2023

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with Governmental Auditing Standards generally accepted in the United States of America:

There were no prior audit findings

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Statement of Modernization Costs – Uncompleted
Year Ended September 30, 2023

CASH BASIS

	<u>2018 Capital Fund</u>	<u>2019 Capital Fund</u>	<u>2020 Capital Fund</u>	<u>2021 Capital Fund</u>	<u>2022 Capital Fund</u>
Funds approved	\$ 186,709	\$ 194,600	\$ 209,361	\$ 201,621	\$ 269,346
Funds expended	<u>168,123</u>	<u>194,176</u>	<u>189,862</u>	<u>125,272</u>	<u>67,336</u>
Excess of funds approved	<u>\$ 18,586</u>	<u>\$ 424</u>	<u>\$ 19,499</u>	<u>\$ 76,349</u>	<u>\$ 202,010</u>
Funds advanced	\$ 168,123	\$ 194,176	\$ 189,862	\$ 125,272	\$ 67,336
Funds expended	<u>168,123</u>	<u>194,176</u>	<u>189,862</u>	<u>125,272</u>	<u>67,336</u>
Excess (Deficiency) of funds advanced	<u>\$ -</u>				

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA.
 Schedule of Compensation, Benefits, and Other Payments
 to Agency Head of Chief Executive Director
 Year Ended September 30, 2023

Tara Gordon, Executive Director

Purpose	Amount
Salary	\$ 61,500
Benefits-insurance	24,016
Benefits - retirement	12,393
Benefits - Life insurance	361
Benefits - Long-term disability	464
Total	\$ 98,734

See accountants' report.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

FEDERAL GRANTOR PROGRAM TITLE	<u>C DFA NO.</u>	<u>PROGRAM EXPENDITURES</u>
U. S. Department of Housing and urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850	\$ 398,563
Capital Fund Program	14.872	<u>328,341</u>
Total United States Department of Housing and Urban Development		<u>\$ 726,904</u>
Total Expenditures of Federal Awards		<u>\$ 726,904</u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF BREAUX BRIDGE, LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

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 Breaux Bridge, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended September 30, 2023. 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. The Housing Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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>
Enterprise Funds	
Governmental operating grants	\$ 398,563
Capital contributions	328,341
Total	\$ 726,904

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 did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2023

ENTITY WIDE BALANCE SHEET SUMMARY				
	Project Total	Subtotal	ELIM	Total
111 Cash - Unrestricted	600,589	600,589	-	600,589
112 Cash Restricted - Modernization and Development	-	-	-	-
113 Cash - Other Restricted	-	-	-	-
114 Cash - Tenant Security Deposits	26,837	26,837	-	26,837
115 Cash restricted for Payment of Current Liabilities	-	-	-	-
100 Total Cash	627,426	627,426	-	627,426
121 Accounts Receivable - PHA Projects	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-
126 Accounts receivable - Tenants	-	-	-	-
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-
128 Fraud Recovery	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-
129 Accrued Interest Receivable	112	112	-	112
120 Total receivables, Net of Allowances for Doubtful Accounts	112	112	-	112
131 Investments - Unrestricted	225,000	225,000	-	225,000
132 Investments - Restricted	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-
142 Prepaid Expenses and Other Assets	78,134	78,134	-	78,134
143 Inventories	13,457	13,457	-	13,457
143.1 Allowance for Obsolete Inventories	(673)	(673)	-	(673)
144 Inter Program Due From	-	-	-	-
145 Assets Held for Sale	-	-	-	-
150 Total Current Assets	943,456	943,456	-	943,456
161 Land	83,985	83,985	-	83,985
162 Buildings	5,652,373	5,652,373	-	5,652,373
163 Furniture, Equipment & Machinery - Dwellings	64,417	64,417	-	64,417
164 Furniture, Equipment & Machinery - Administration	134,514	134,514	-	134,514
165 Leasehold Improvements	787,041	787,041	-	787,041
166 Accumulated Depreciation	(5,795,188)	(5,795,188)	-	(5,795,188)
167 Construction in Progress	-	-	-	-
168 Infrastructure	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	927,142	927,142	-	927,142
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-
172 Notes, Loans & Mortgages Receivable - Non Current - Past due	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-
174 Other Assets	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-
180 Total Non-Current Assets	927,142	927,142	-	927,142
200 Deferred Outflow of Resources	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	1,870,598	1,870,598	-	1,870,598

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2023

ENTITY WIDE BALANCE SHEET SUMMARY				
	Project Total	Subtotal	ELIM	Total
311 Bank Overdraft	-	-	-	-
312 Accounts Payable <= 90 Days	7,048	7,048	-	7,048
313 Accounts Payable > 90 Days Past Due	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	3,049	3,049	-	3,049
322 Accrued Compensated - Absences - Current Portion	5,232	5,232	-	5,232
324 Accrued Contingency Liability	-	-	-	-
325 Accrued Interest Payable	-	-	-	-
331 Accounts Payable - HUD PHS Programs	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-
341 Tenant Security Deposits	25,067	25,067	-	25,067
342 Unearned Revenue	1,827	1,827	-	1,827
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-
345 Other Current Liabilities	-	-	-	-
346 Accrued Liabilities - Other	7,436	7,436	-	7,436
347 Inter Program - Due To	-	-	-	-
348 Loan Liability - Current	-	-	-	-
310 Total Current Liabilities	49,659	49,659	-	49,659
351 Long-term Debt, Net of current - Capital Projects/Mortgage Revenue	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-
354 Accrued Compensated Absences - Non Current	8,178	8,178	-	8,178
355 Loan Liability - Non Current	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-
350 Total Non-Current Liabilities	8,178	8,178	-	8,178
300 Total Liabilities	57,837	57,837	-	57,837
400 Deferred Inflow of Resources	-	-	-	-
508.4 Net investment in Capital Assets	927,142	927,142	-	927,142
511.4 Restricted Net Position	-	-	-	-
512.4 Unrestricted Net Position	885,619	885,619	-	885,619
513 Total Equity - Net Assets/Position	1,812,761	1,812,761	-	1,812,761
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	1,870,598	1,870,598	-	1,870,598

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2023

SINGLE PROJECT REVENUE AND EXPENSE			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	275,119	-	275,119
70400 Tenant Revenue	5,469	-	5,469
70500 Total Tenant Revenue	280,588	-	280,588
70600 HUD PHA Operating Grants	398,563	96,336	494,899
70610 Capital Grants	-	232,005	232,005
70710 Management Fee	-	-	-
70720 Asset Management Fee	-	-	-
70730 Bookkeeping Fee	-	-	-
70740 Front Line Service Fee	-	-	-
70750 Other Fees	-	-	-
70700 Total Fee Revenue	398,563	328,341	726,904
70800 Other Government Grants	-	-	-
71100 Investment Income - Unrestricted	4,428	-	4,428
71200 Mortgage Interest Income	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-
71310 Cost of Sale of Assets	-	-	-
71400 Fraud Recovery	2,304	-	2,304
71500 Other Revenue	59,984	-	59,984
71600 Gain or Loss on Sale of Capital Assets	-	-	-
72000 Investment Income - Restricted	-	-	-
70000 Total Revenue	745,867	328,341	1,074,208
91100 Administrative Salaries	92,469	-	92,469
91200 Auditing Fees	23,000	-	23,000
91300 Management Fee	-	-	-
91310 Bookkeeping Fee	-	-	-
91400 Advertising and Marketing	253	-	253
91500 Employee Benefit Contributions - Administrative	49,905	-	49,905
91600 Office Expenses	24,664	-	24,664
91700 Legal Expense	-	-	-
91800 Travel	1,661	-	1,661
91810 Allocated Overhead	-	-	-
91900 Other	8,108	-	8,108
91000 Total Operating - Administrative	200,060	-	200,060
92000 Asset Management Fee	-	-	-
92100 Tenant Services - Salaries	-	-	-
92200 Relocation Costs	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-
92400 Tenant Services - Other	10,895	-	10,895
92500 Total Tenant Services	10,895	-	10,895
93100 Water	28,863	-	28,863
93200 Electricity	15,545	-	15,545
93300 Gas	1,844	-	1,844
93400 Fuel	-	-	-
93500 Labor	-	-	-
93600 Sewer	34,762	-	34,762

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2023

SINGLE PROJECT REVENUE AND EXPENSE

	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities	-	-	-
93800 Other Utilities Expense	-	-	-
93000 Total utilities	81,014	-	81,014
94100 Ordinary Maintenance and Operations - Labor	47,873	-	47,873
94200 Ordinary Maintenance and Operations - Materials and Other	43,665	-	43,665
94300 Ordinary Maintenance and Operations Contracts	118,997	-	118,997
94500 Employee Benefit Contributions - Ordinary Maintenance	31,086	-	31,086
94000 Total Maintenance	241,621	-	241,621
95100 Protective Services - Labor	-	-	-
95200 Protective Services - Other Contract Costs	175	-	175
95300 Protective Services - Other	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-
95000 Total Protective Services	175	-	175
96110 Property Insurance	117,378	-	117,378
96120 Liability Insurance	5,904	-	5,904
96130 Workmen's Compensation	4,034	-	4,034
96140 All Other Insurance	9,242	-	9,242
96100 Total Insurance premiums	136,558	-	136,558
96200 Other General Expenses	426	-	426
96210 Compensated Absences	9,507	-	9,507
96300 Payments in Lieu of Taxes	19,410	-	19,410
96400 Bad Debt - Tenant Rents	2,008	-	2,008
96500 Bad Debt - Mortgages	-	-	-
96600 Bad Debt - Other	-	-	-
96800 Severance Expense	-	-	-
96000 Total Other General Expenses	31,351	-	31,351
96710 Interest of Mortgage (or Bonds) Payable	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	-
96900 Total Operating Expenses	701,674	-	701,674
97000 Excess of Operating Revenue over Operating Expenses	44,193	328,341	372,534
97100 Extraordinary Maintenance	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-
97300 Housing Assistance Payments	-	-	-
97350 HAP Portability-In	-	-	-
97400 Depreciation Expense	137,288	-	137,288
97500 Fraud Losses	-	-	-
97600 Capital Outlays - Government Funds	-	-	-
97700 Debt Principal Payment - Government Funds	-	-	-
97800 Dwelling Units Rent Expense	-	-	-
9000 Total Expenses	838,962	-	838,962

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2023

SINGLE PROJECT REVENUE AND EXPENSE			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	96,336	-	96,336
10020 Operating Transfer Out	-	(96,336)	(96,336)
10030 Operating Transfers from/to Primary Government	-	-	-
10040 Operating transfers from/to Component Unit	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-
10060 Proceeds from Property Sales	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-
10093 Transfers between Program and Project - In	-	-	-
10094 Transfers between Project and Program - Out	-	-	-
10100 Total Other Financing Sources (Uses)	96,336	(96,336)	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	3,241	232,005	235,246
11020 Required Annual Debt Principal Payments	-	-	-
11030 Beginning Equity	1,577,515	-	1,577,515
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-
11070 Changes in Unrecognized Pension Transition Liabilities	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-
11090 changes in Allowance for Doubtful Accounts Dwelling Rents	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-
11170 Administrative Fee Equity	-	-	-
11180 Housing Assistance Payments Equity	-	-	-
11190 Unit Months Available	1,175	-	1,175
11210 Number of Unit Months Leased	1,175	-	1,175
11270 Excess Cash	754,323	-	754,323
11610 Land Purchases	-	-	-
11620 Building Purchases	-	232,005	232,005
11630 Furniture & Equipment - Dwelling Purchases	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-
11650 Leasehold Improvements Purchases	-	-	-
11660 Infrastructure Purchases	-	-	-
13510 CFFP Debt Service Payments	-	-	-
13901 Replacement housing Factor Funds	-	-	-

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2023

Entity Wide Revenue and Expense Summary				
	Project Total	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	275,119	275,119	-	275,119
70400 Tenant Revenue - Other	5,469	5,469	-	5,469
70500 Total Tenant Revenue	280,588	280,588	-	280,588
70600 HUD PHA Operating Grants	494,899	494,899	-	494,899
70610 Capital Grants	232,005	232,005	-	232,005
70710 Management Fee	-	-	-	-
70720 Asset Management Fee	-	-	-	-
70730 Bookkeeping Fee	-	-	-	-
70740 Front Line Service Fee	-	-	-	-
70750 Other Fees	-	-	-	-
70700 Total Fee Revenue	726,904	726,904	-	726,904
70800 Other Government Grants	-	-	-	-
71100 Investment Income - Unrestricted	4,428	4,428	-	4,428
712000 Mortgage Interest Income	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-
71400 Fraud Recovery	2,304	2,304	-	2,304
71500 Other Revenue	59,984	59,984	-	59,984
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-
70000 Total Revenue	1,074,208	1,074,208	-	1,074,208
91100 Administrative Salaries	92,469	92,469	-	92,469
91200 Auditing Fees	23,000	23,000	-	23,000
91300 Management Fee	-	-	-	-
91310 Book-keeping Fee	-	-	-	-
91400 Advertising and Marketing	253	253	-	253
91500 Employee Benefit Contributions - Administrative	49,905	49,905	-	49,905
91600 Office Expenses	24,664	24,664	-	24,664
91700 Legal Expense	-	-	-	-
91800 Travel	1,661	1,661	-	1,661
91810 Allocated Overhead	-	-	-	-
91900 Other	8,108	8,108	-	8,108
91000 Total Operating - Administrative	200,060	200,060	-	200,060
92000 Asset Management Fee	-	-	-	-
92100 Tenant Services - Salaries	-	-	-	-
92200 Relocation Costs	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-
92400 Tenant Services - Other	10,895	10,895	-	10,895
92500 Total Tenant Services	10,895	10,895	-	10,895
93100 Water	28,863	28,863	-	28,863
93200 Electricity	15,545	15,545	-	15,545
93300 Gas	1,844	1,844	-	1,844
93400 Fuel	-	-	-	-
93500 Labor	-	-	-	-
93600 Sewer	34,762	34,762	-	34,762

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2023

Entity Wide Revenue and Expense Summary				
	Project Total	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities	-	-	-	-
93800 Other Utilities Expense	-	-	-	-
93000 Total Utilities	81,014	81,014	-	81,014
94100 Ordinary Maintenance and Operations - Labor	47,873	47,873	-	47,873
94200 Ordinary Maintenance and Operations - Materials and Other	43,665	43,665	-	43,665
94300 Ordinary Maintenance and Operations Contracts	118,997	118,997	-	118,997
94500 Employee Benefit Contributions - Ordinary Maintenance	31,086	31,086	-	31,086
94000 Total Maintenance	241,621	241,621	-	241,621
95100 Protective Services - Labor	-	-	-	-
95200 Protective Services - Other Contract Costs	175	175	-	175
95300 Protective Services - Other	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-
95000 Total Protective Services	175	175	-	175
96110 Property Insurance	117,378	117,378	-	117,378
96120 Liability Insurance	5,904	5,904	-	5,904
96130 Workmen's Compensation	4,034	4,034	-	4,034
96140 All Other Insurance	9,242	9,242	-	9,242
96100 Total Insurance Premiums	136,558	136,558	-	136,558
96200 Other General Expenses	426	426	-	426
96210 Compensated Absences	9,507	9,507	-	9,507
96300 Payments in Lieu of Taxes	19,410	19,410	-	19,410
96400 Bad debt - Tenant Rents	2,008	2,008	-	2,008
96500 Bad debt - Mortgages	-	-	-	-
96600 Bad debt - Other	-	-	-	-
96800 Severance Expense	-	-	-	-
96000 Total Other General Expenses	31,351	31,351	-	31,351
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	-	-
96900 Total Operating Expenses	701,674	701,674	-	701,674
97000 Excess of Operating Revenue over Operating Expenses	372,534	372,534	-	372,534
97100 Extraordinary Maintenance	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-
97350 HAP Portability-In	-	-	-	-
97400 Depreciation Expense	137,288	137,288	-	137,288
97500 Fraud Losses	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-
90000 Total Expenses	838,962	838,962	-	838,962

Housing Authority of Breaux Bridge, Louisiana
Financial Data Schedules
Year Ended September 30, 2023

Entity Wide Revenue and Expense Summary				
	Project Total	Subtotal	ELIM	Total
10010 Operating Transfer In	96,336	96,336	(96,336)	-
10020 Operating Transfer Out	(96,336)	(96,336)	96,336	-
10030 Operating Transfers from/to Primary Government	-	-	-	-
10040 Operating transfers from/to Component Unit	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-
10093 Transfers between Program and Project-In	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-
10100 Total Other Financing Sources (Uses)	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	235,246	235,246	-	235,246
11020 required Annual Debt Principal Payments	-	-	-	-
11030 Beginning Equity	1,577,515	1,577,515	-	1,577,515
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-
11090 changes in Allowance for Doubtful Accounts - Dwelling rents	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-
11170 Administrative Fee Equity	-	-	-	-
11180 Housing Assistance Payments Equity	-	-	-	-
11190 Unit Months Available	1,175	1,175	-	1,175
11210 Number of Unit Months Leased	1,175	1,175	-	1,175
11270 Excess Cash	754,323	754,323	-	754,323
11610 Land Purchases	-	-	-	-
11620 Building Purchases	232,005	232,005	-	232,005
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-



**DARNALL SIKES
& FREDERICK**

A CORPORATION OF CERTIFIED
PUBLIC ACCOUNTANTS

1231 East Laurel Avenue
Eunice, LA 70535

P 337-457-4146
F 337-457-5060

DSFCPAS.COM

OTHER LOCATIONS:

Lafayette Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

Housing Authority of Breaux Bridge
P.O. Box 878
Breaux Bridge, LA 70517

We have performed the procedure described in the second paragraph of this report, which was agreed to by Housing Authority of Breaux Bridge (the PHA) and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Uniform Guidance reporting package. The PHA is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

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

We were engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. Code of the Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), by The PHA as of and for the year ended September 30, 2023, and have issued our report thereon dated January 18, 2024. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated January 18, 2024 was expressed in relation to the basic financial statements of the PHA taken as a whole.

A copy of the reporting package required by Uniform Guidance, which includes the auditor's reports, is available in its entirety from the PHA. We have not performed any additional procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report is intended solely for the information and use of the PHA and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Darnall, Sikes, & Frederick

(A Corporation of Certified Public Accountants)

Eunice, Louisiana

January 18, 2024

**ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURE (FULL)**

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of findings and Questioned Costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic Financial Statements (inclusive of auditor reports)	Agrees



OTHER LOCATIONS:

Lafayette Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Housing Authority of Breaux Bridge, Louisiana (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, 2022 through September 30, 2023. 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, 2022 through September 30, 2023. 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 do address the functions noted above.
 - 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.
Written policies and procedures were obtained and do address the functions noted above.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
Written policies and procedures were obtained and do address the functions noted above.

- 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 do address the functions noted above.

- 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 do address the functions noted above.

- 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 do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

- 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 do address the functions noted above.

- 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 do address the functions noted above.

- 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 do address the functions noted 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 do address the functions noted above.

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.
Obtained and inspected minutes of the board for the fiscal period noting that the board met at least quarterly in accordance with the Housing Authority's policy.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
Observed that the minutes referenced budget-to-actual comparisons on the general fund and the proprietary fund as required.
 - 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 is a private non-profit entity.
 - 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 did not have any findings in the prior year.

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);
Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.

- 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 (e.g., initialed and dated, electronically logged); and

Bank reconciliations do include evidence that a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

- 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.

Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

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;

Employees responsible for cash collections do not share cash drawers/registers.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

Employees responsible for collecting cash are responsible for preparing/making bank deposits, however another employee is responsible for reconciling collection documentation to the deposit.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Employees responsible for reconciling cash collections the general ledger are not responsible for collecting cash.

- 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.

Employees who have access to cash are covered by a bond or insurance policy for theft.

- 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.

Observed that receipts are sequentially pre-numbered.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Traced supporting documentation to the deposit slips noting no exceptions.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Traced the deposit slip totals to the actual deposit per the bank statement noting no exceptions.

- 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).

Observed that the deposits were made within one business day of receipt at the collection location.

- v. Trace the actual deposit per the bank statement to the general ledger.

Traced the actual deposits per the bank statement to the general ledger noting no exceptions.

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;

Observed written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- ii. At least two employees are involved in processing and approving payments to vendors;
Observed written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
 - 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;
Observed written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
 - 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
Observed written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
 - 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.
Observed written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
- 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
Observed that the disbursements matched the related original itemized invoice and that supporting documentation indicates that deliverables on the invoice were received by the Housing Authority.
 - 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.
Observed that the disbursement documentation included evidence of segregation of duties tested.
- 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 each electronic disbursement was approved by only those persons authorized to disburse funds per the Housing Authority's policy and approved by the required number of authorized signers per the Housing Authority'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
- Requiring such approval would constrain the legal authority of the Executive Director.
- ii. Observe that finance charges and late fees were not assessed on the selected statements.
- Observed that there were no finance charges or late fees assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). 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 all transactions were supported by an original itemized receipt that identifies precisely what was purchased. Observed that all transactions tested were supported by written documentation of the business/public purpose. There were no meal charges tested.

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

This section is not applicable. Management asserted that the Housing Authority did not have any travel and travel-related reimbursements during the fiscal period.

- 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);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
Observed that the contracts were not required to be bid in accordance with Louisiana Public Bid Law.
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
Observed that contracts were approved by the 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
Observed that original contract terms of amended contracts provided for such an amendment and the amendments were in compliance with contract terms.
 - 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.
Randomly selected one payment from each of the contracts and observed that the invoice and payment agreed to the terms and conditions of the contract.

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);
Observed that all selected employees documented their daily attendance, and leave was accrued but not taken.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
Observed that supervisors approved the attendance of the selected employees.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
Observed that leave accrued is reflected in the Housing Authority's cumulative leave records, but no leave was taken.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
Observed that the rate paid to the employees agree to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
Management asserted that there were no employees or officials that received termination payments during the fiscal period.
- 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.
Management provided representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

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
The employees selected for testing did have documentation to demonstrate that the required ethics training was completed.
 - 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.
No changes were made 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.
The Housing Authority has appointed an ethics designee as required by R.S. 42:1170.

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.

Observed that the Housing Authority has posted on its premises the required notice. The Housing Authority does not have a website.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Management asserted that there were no terminated employees during the fiscal period.

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.

Selected all employees as there were less than five. Observed documentation demonstrating the four employees selected completed at least one hour of sexual harassment training during the calendar year.

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).

The Housing Authority does not have a website. Observed that the Housing Authority has its sexual harassment policy in a conspicuous location on their premises.

- 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:

Observed the Housing Authority's sexual harassment report for the fiscal period and that it contains all areas noted below.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

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

January 18, 2024

December 14, 2023

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

The following is management's response to the 2023 Statewide AUP report submitted for the HOUSING
AUTHORITY OF BREAUX BRIDGE, LOUISIANA

No exceptions noted.