

HOUSING AUTHORITY OF THE TOWN OF BERWICK

BERWICK, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2020



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
<u>FINANCIAL SECTION</u>		
<u>INDEPENDENT AUDITORS' REPORT</u>		1 – 3
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>		
Management’s Discussion and Analysis		4 – 7
<u>BASIC FINANCIAL STATEMENTS:</u>		
Statement of Net Position	A	8
Statement of Revenues, Expenditures and Changes in Net Position.....	B	9
Statement of Cash Flows.....	C	10 – 11
Notes to Financial Statements.....		12 – 21
<u>OTHER SUPPLEMENTAL INFORMATION:</u>		
HUD Financial Data Schedule – Balance Sheet Data by Project.....	1	22
HUD Financial Data Schedule – Revenues and Expenses Data by Project...	2	23
Statement of Certification of Actual Modernization Costs Completed	3	24
Schedule of Compensation, Benefits, and Other Payments to Agency Head	4	25
<u>OTHER REPORTS</u>		
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		26 – 27
Schedule of Findings.....		28
Summary Schedule of Prior Year Findings		29



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Housing Authority of the Town of Berwick
Berwick, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Berwick (the "Authority") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



To the Board of Commissioners of
Housing Authority of the Town of Berwick
June 2, 2022

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the Town of Berwick as of December 31, 2020, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The HUD financial data schedules and statement of certification of actual modernization costs completed are presented for the purpose of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for the purpose of additional analysis as required by Louisiana Revised Statute 24:513(A)(3) and is also not a required part of the basic financial statements.



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
Housing Authority of the Town of Berwick
June 2, 2022

The HUD financial data schedules, statement of certification of actual modernization costs completed, and schedule of compensation, benefits, and other payments to agency head, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 HUD financial data schedules, statement of certification of actual modernization costs completed, and schedule of compensation, benefits, and other payments to agency head, 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 June 2, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the Town of Berwick's internal control over financial reporting and compliance.

June 2, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Our discussion and analysis of the Housing Authority of the Town of Berwick's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2020.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

USING THIS ANNUAL FINANCIAL REPORT

The Authority's annual financial report consists of financial statements that report information about the Authority's most significant programs, such as the Housing Authority's Public Housing and Capital Fund Programs.

An outline of the annual financial report's content is as follows:

- I. Independent Auditors' Report
- II. Required Supplementary Information
- III. Basic Financial Statements
- IV. Notes to the Financial Statements
- V. Other Supplemental Information

Our auditor has provided assurance in their independent auditors' report on pages 1 through 3 that the basic financial statements are fairly stated. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the annual financial report.

FINANCIAL HIGHLIGHTS

Total spending for all programs was approximately \$947,000 for the year ended December 31, 2020. Total operating revenue was approximately \$732,000, of which tenant-related income comprised approximately \$358,700 or 49.0%. Subsidies and grants from the U.S. Department of Housing and Urban Development (HUD) comprised 55.6% of total revenues.

Public Housing Authorities' (PHAs) annual budgets for 2020 are based on mandated procedures that serve to determine every PHA's total and final funding amount. The funding is based on a calendar year. Operating Fund Subsidy increased from approximately \$265,700 in 2019 to approximately \$373,200 in 2020, a 40.5% increase from the prior year, mainly due to the change in pro-ration from the prior year.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2020

FINANCIAL ANALYSIS

The Authority's net position was approximately \$2.0 million at December 31, 2020

The following analysis focuses on the net position and the change in net position of the Authority as a whole.

Condensed Statement of Net Position

	<u>12/31/20</u>	<u>12/31/19</u>
Current assets	\$ 602,978	\$ 531,981
Capital assets, net	<u>1,505,224</u>	<u>1,492,576</u>
Total assets	<u>2,108,202</u>	<u>2,024,557</u>
Current liabilities	68,301	40,455
Noncurrent liabilities	<u>29,963</u>	<u>23,005</u>
Total liabilities	<u>98,264</u>	<u>63,460</u>
Net position		
Net investment in capital assets	1,505,224	1,492,576
Unrestricted	<u>504,714</u>	<u>468,521</u>
Total net position	<u>\$ 2,009,938</u>	<u>\$ 1,961,097</u>

Current assets increased by approximately \$71,000 or 13.4% from the prior year as a result of operations. Capital assets increased by approximately \$13,000 (0.9%) from the prior year, largely due to current year depreciation expense offset by current year additions. The aggregation of these factors affecting current assets and capital assets resulted in increase in total assets of \$84,000 (4.1%).

Total liabilities increased by approximately \$34,900 (54.8%) during the current year which is primarily due to payments in lieu of taxes due at year end.

The increase of \$48,800 in net position is largely due to normal operations.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2020

Condensed Statement of Revenues, Expenditures and Changes in Net Position

	<u>12/31/20</u>	<u>12/31/19</u>
Operating revenues:		
Charges for services	\$ 358,699	\$ 368,445
Operating grants	373,211	265,664
Non-operating revenues:		
Capital grants	180,642	157,028
Interest earnings	675	580
Other non-operating receipts	<u>82,532</u>	<u>115,101</u>
Total revenues	<u>995,758</u>	<u>906,818</u>
Operating expenses		
Administration	313,985	286,530
Tenant services	2,859	7,668
Utilities	101,869	103,424
Ordinary maintenance and operations	203,090	207,712
General expenses	157,120	132,527
Depreciation	<u>167,994</u>	<u>193,215</u>
Total expenses	<u>946,917</u>	<u>931,076</u>
Change in net position	<u>48,841</u>	<u>(24,258)</u>
Net position, ending	<u>\$ 2,009,938</u>	<u>\$ 1,961,097</u>

Total revenues increased by approximately \$89,000 or 9.8%, and total expenses increased by \$16,000 or 1.7%. The increase in revenues is primarily attributed to the increase in HUD capital grants and CARES Act Supplemental Funding. Operating expenses remained largely unchanged from the prior year.

The Authority's net position increased by approximately \$48,800 or 2.5%. The increase is primarily attributed to normal operations.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2020

CAPITAL ASSETS

At December 31, 2020, the Authority had approximately \$7.5 million invested in a broad range of capital assets including land, buildings, furniture and equipment and construction in progress. This amount represents a net increase (including additions, deductions and depreciation) of approximately \$13,000 or 0.9% from last year. The majority of the change is due to current year depreciation expense offset by current year additions. For more information see Note 4 in the notes to the financial statements.

	<u>12/31/20</u>	<u>12/31/19</u>
Land	\$ 179,085	\$ 179,085
Building & improvements	6,825,922	6,824,090
Furniture and equipment	164,634	173,029
Construction in progress	<u>336,145</u>	<u>159,232</u>
	7,505,786	7,335,436
Less accumulated depreciation	<u>(6,000,562)</u>	<u>(5,842,860)</u>
Capital assets, net of depreciation	<u>\$ 1,505,224</u>	<u>\$ 1,492,576</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget via appropriations rather than by local economic conditions. The Capital fund programs are multiple year budgets and have remained relatively stable. Capital funds are used for the modernization of public housing properties including the administrative fees involved in the modernization.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Mr. Clarence Robinson, Executive Director, Housing Authority of the Town of Berwick, 2751 Fifth Street, Berwick, Louisiana 70342.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

ASSETS:

Cash and cash equivalents	\$	414,987
Receivables:		
Tenant receivable, net of allowance for doubtful accounts		628
Accrued interest receivable		68
Other receivables		7,033
Investments		92,322
Prepaid expenses		45,759
Inventory		7,731
Restricted cash and cash equivalents		34,450
Capital assets not being depreciated		515,230
Capital assets being depreciated, net of accumulated depreciation		<u>989,994</u>
 Total assets		 <u>2,108,202</u>

LIABILITIES:

Accounts payable	\$	25,119
Unearned revenue		480
Liabilities payable from restricted assets:		
Deposits held in trust		34,450
Noncurrent liabilities:		
Due within one year		8,252
Due in more than one year		<u>29,963</u>
 Total liabilities		 <u>98,264</u>

NET POSITION:

Net investment in capital assets		1,505,224
Unrestricted		<u>504,714</u>
 Total net position	 \$	 <u><u>2,009,938</u></u>

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

OPERATING REVENUES:

Charges for services:	
Dwelling rental	\$ 350,236
Dwelling revenue - other	8,462
Operating grants and contributions:	
HUD PHA operating grants	<u>373,211</u>
 Total operating revenues	 <u>731,909</u>

OPERATING EXPENSES:

Administration	313,985
Tenant services	2,859
Utilities	101,869
Ordinary maintenance and operations	203,090
General expense	157,120
Depreciation expense	<u>167,994</u>
 Total operating expenses	 <u>946,917</u>
 Net operating (loss)	 <u>(215,008)</u>

NON-OPERATING REVENUES:

Capital grants	180,642
Other non-operating receipts	82,532
Interest income	<u>675</u>
 Total non-operating revenues	 <u>263,849</u>
 Change in net position	 48,841
 Net position - beginning	 <u>1,961,097</u>
 Net position - ending	 <u><u>\$ 2,009,938</u></u>

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM (USED FOR) OPERATING**ACTIVITIES:**

Receipts from tenants	\$ 363,151
Receipts from federal agencies	373,211
Payments to vendors and suppliers	(427,031)
Payments to employees	<u>(318,916)</u>
Net cash (used for) operating activities	<u>(9,585)</u>

CASH FLOWS FROM (USED FOR) NON-CAPITAL**FINANCING ACTIVITIES:**

Non-operating revenues	<u>75,499</u>
Net cash from non-capital financing activities	<u>75,499</u>

CASH FLOWS FROM (USED FOR) CAPITAL AND**RELATED FINANCING ACTIVITIES:**

Proceeds from capital grants	180,642
Acquisition and construction of capital assets	<u>(180,642)</u>
Net cash (used for) capital and related financing activities	<u>-</u>
Net change in cash and cash equivalents	<u>65,914</u>
Cash and cash equivalents at December 31, 2019	<u>383,523</u>
Cash and cash equivalents at December 31, 2020	<u><u>\$ 449,437</u></u>

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Reconciliation of operating (loss) to net cash from (used in) operating activities:

Operating (loss)	\$ (215,008)
Adjustments to reconcile operating (loss) to net cash used in operating activities:	
Depreciation	167,994
(Increase) decrease in assets:	
Tenant receivable	709
Prepaid expenses	2,726
Inventory	(811)
Increase (decrease) in liabilities:	
Accounts payable	23,294
Unearned revenue	344
Deposits held in trust	3,400
Compensated absences	<u>7,767</u>
Net cash from operating activities	<u>\$ (9,585)</u>

Reconciliation of cash and cash equivalents to statement of net position:

Cash and cash equivalents - unrestricted	\$ 414,987
Cash and cash equivalents - restricted	<u>34,450</u>
Totals	<u>\$ 449,437</u>

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Housing Authority of the Town of Berwick (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Authority was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the Town of Berwick, Louisiana.

The Authority has a five-member appointed Board of Commissioners and is headed by an Executive Director. The Board has the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters.

GASB Statement No. 14, as amended by GASB Statement No. 39 and 61, establishes criteria for determining the governmental reporting entity. Under the provisions of this statement, the Authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in the GASB statements, fiscally independent means that the Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursement of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The Authority has no component units, defined by the GASB statements as other legally separate organizations for which the elected Authority members are financially accountable.

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

Governmental-Wide Financial Statements

The Authority's basic financial statements consist of proprietary statements, including a statement of net position, a statement of revenues, expenditures and changes in net position and a statement of cash flows.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The proprietary statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Shared revenues are recognized when the provider government recognized the liability to the Authority. Grants are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

State appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. For financial purposes, the Authority reports all of its primary government operations as a single business activity in a single proprietary enterprise fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Authority has elected not to follow subsequent private-sector guidance.

The Authority does not use encumbrance accounting.

Proprietary funds distinguish between 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 fund's principal ongoing operations. The principal operating revenues of the Authority are HUD provided federal grants and tenant rent payments. The major operating expenses of the Authority include administrative, utilities, ordinary maintenance and operations, general, and depreciation expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets

The Authority prepares budgets for the Conventional and Capital Fund programs. The Board of Commissioners approves the Conventional and Capital Fund budgets. HUD approves the Capital Fund budget. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of net position, cash includes all demand deposit and interest-bearing demand deposit accounts of the Authority. For the purposes of the proprietary funds statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. In accordance with Louisiana Statutes, the Authority maintains deposits at those depository banks authorized by the Authority. All such depositories are members of the Federal Reserve System.

Investments

Investments are limited by R.S 33:2955 and the Authority's investment policy. If the original maturities of investments exceed three months, they are classified as investments for financial reporting purposes. If the original maturities are three months or less, they are classified as cash equivalents.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Authority's statement of net position.

Restricted Assets

Restricted cash on the statement of net position for the Authority represents tenant security deposits. Restricted cash is more fully detailed in Note 3.

Receivables

Accounts receivable from tenants are stated at net realizable value as required by GAAP. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of December 31, 2020, the Authority deemed all amounts fully collectible and did not record an allowance for doubtful accounts.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets are recorded at historical cost and are depreciated over their estimated useful lives. Capital assets include all items costing over \$1,500. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	33
Modernization and improvements	15
Furniture and equipment	3 - 7

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Authority has no items that qualify for reporting in this category.

Compensated Absences

The Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the classified employee is not paid for them if not used by his/her retirement or termination date.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

In the government-wide proprietary financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Restricted Net Position

Restrictions, when appropriate, represent those portions of net position that are restricted in use by external parties or by law for a specific future use. There were no restrictions of net position as of December 31, 2020.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds during the reporting period. Actual results could differ from those estimates.

Date of Management’s Review

Subsequent events have been evaluated through June 2, 2022, the date the financial statements were available to be issued.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

(2) CASH AND CASH EQUIVALENTS

At December 31, 2020 the carrying amount of the Authority's bank deposits was \$449,437. These deposits are stated at cost, which approximates market. The Authority does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

Cash and deposits are categorized into three categories of credit risk. Category 1 includes deposits covered by federal depository insurance or by collateral held by the Authority or its agent, in the Authority's name. Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the Authority's name. Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Authority's name, and deposits which are uninsured or uncollateralized.

At December 31, 2020, the bank balance was \$470,957. Of the bank balance, \$250,000 was covered by federal depository insurance (Category 1). In compliance with State laws, the remaining balance of \$220,957 was secured by bank owned securities specifically pledged to the Authority and held by an independent custodian bank jointly in the name of the Authority and the depository bank (Category 2). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand. Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. At December 31, 2020, there were no deposits held by the Authority that were exposed to custodial credit risk representing uninsured deposits collateralized by a pledging bank's trust department but not in the Authority's name.

State statutes authorize the Authority to invest in the following types of securities: (1) fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana; (2) direct obligations of the U.S. Government; (3) obligations of U.S. Government agencies that are deliverable on the Federal Reserve System; and (4) repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

(3) RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents at December 31, 2020 are restricted as follows:

Description	Amount
Tenant security deposits	\$ <u>34,450</u>

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

(4) CAPITAL ASSETS

A summary of changes in proprietary fund type capital assets as of December 31, 2020 is as follows:

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/20</u>
Capital assets, not being depreciated:				
Land	\$ 179,085	\$ -	\$ -	\$ 179,085
Construction in progress	<u>159,232</u>	<u>176,913</u>	<u>-</u>	<u>336,145</u>
Total capital assets not being depreciated	<u>338,317</u>	<u>176,913</u>	<u>-</u>	<u>515,230</u>
Capital assets, being depreciated:				
Building and improvements	6,824,090	1,832	-	6,825,922
Furniture and equipment	<u>173,029</u>	<u>1,897</u>	<u>(10,292)</u>	<u>164,634</u>
Total capital assets being depreciated	<u>6,997,119</u>	<u>3,729</u>	<u>(10,292)</u>	<u>6,990,556</u>
Less accumulated depreciation	<u>(5,842,860)</u>	<u>(167,994)</u>	<u>10,292</u>	<u>(6,000,562)</u>
Total capital assets being depreciated, net	<u>1,154,259</u>	<u>(164,265)</u>	<u>-</u>	<u>989,994</u>
Total capital assets, net	<u>\$ 1,492,576</u>	<u>\$ 12,648</u>	<u>\$ -</u>	<u>\$ 1,505,224</u>

Depreciation expense was \$167,994 for the year ended December 31, 2020.

(5) COMPENSATED ABSENCES

A summary of compensated absences is as follows:

	<u>Balance</u> <u>12/31/19</u>	<u>Net Increase</u> <u>(Decrease)</u>	<u>Balance</u> <u>12/31/20</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	<u>\$ 30,450</u>	<u>\$ 7,765</u>	<u>\$ 38,215</u>	<u>\$ 8,252</u>

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

(6) INTERAGENCY AGREEMENT

The Authority has entered into an agreement with the Morgan City Housing Authority (MCHA) whereby the Authority will manage the operations of MCHA. Under the agreement, the Authority's Executive Director is performing duties as Acting Executive Director for MCHA. The Authority is reimbursed for all expenses and costs of operating MCHA not to exceed 24 hours per week performed by the Acting Executive Director. The Authority received reimbursements totaling \$78,004 for the year ended December 31, 2020.

(7) CARES ACT FUNDING

During the year ended December 31, 2020, the Authority was awarded supplemental funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Authority was awarded \$31,513 of Supplemental Public Housing Operating funding which was expended during the year ended December 31, 2020.

(8) RETIREMENT PLAN

The Authority participates in the Housing Agency Retirement Trust plan, a defined contribution plan administered by Mercer. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Authority provides retirement benefits for all full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month following the completion of six months of continuous employment. Plan provisions and changes to plan contributions are determined by the Board of the Authority. Total contributions to the plan were \$8,208 for the year ended December 31, 2020.

Under the plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 4% of each participant's basic (excludes overtime) compensation. Employees are required to contribute 4% of their annual covered salary.

The Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Authority. No payments were made out of the forfeiture account for the year ended December 31, 2020.

Normal retirement date shall be the first day of the month following the employee's 65th birthday or after ten years of participation in the plan.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

(9) RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority maintains commercial insurance to mitigate these risks. Settled claims have not exceeded insurance coverage in any of the past three years.

(10) CONCENTRATIONS

For the year ended December 31, 2020, the Authority received approximately 56% of its total revenue from federal sources (U.S. Department of Housing and Urban Development).

(11) PAYMENT IN LIEU OF PROPERTY TAXES

In accordance with a cooperative agreement with the Town of Berwick, the Authority is not required to pay property taxes. Instead, the Authority is required to make payments in lieu of property taxes if and when funds may become available. Payments in lieu of property taxes of \$24,963 were made during the year ended December 31, 2020.

(12) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 87, "*Leases*." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 as postponed by GASB Statement No. 95. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 92, "*Omnibus 2020*." The objective of this Statement is to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to reinsurance recoveries, derivative instruments, intra-entity transfers of assets, post-employment benefit arrangements, fair value measurements, and measurements of liabilities associated with AROs in a government acquisition. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 as postponed by GASB Statement No. 95. The Authority plans to adopt this Statement as applicable by the effective date.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

(12) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement addresses the postponement of effective dates of certain provision in Statements and Implementation Guides that first became effective or are schedule to become effective for periods beginning after June 15, 2018. The provisions affected are Statement’s No. 83, 84, 87, 88, 89, 90, 91, 92, 93, and Implementation Guide’s No. 2017-3, 2018-1, 2019-1, 2019-2, and 2019-3. The Authority plans to adopt the amendments in this Statement as applicable by the effective dates.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
 BERWICK, LOUISIANA
 HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA BY PROJECT
 DECEMBER 31, 2020

		LA056000056				
Line Item #	Account Description	Conventional Program	CARES	Total CFP	Eliminations	Total
<u>ASSETS:</u>						
Current assets:						
Cash:						
111	Cash - unrestricted	\$ 414,987	\$ -	\$ -	\$ -	\$ 414,987
114	Cash - tenant security deposits	34,450	-	-	-	34,450
100	Total cash	<u>449,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,437</u>
Accounts and notes receivables:						
124	Accounts receivable - Other government	7,033	-	-	-	7,033
126	Accounts receivable - tenants	628	-	-	-	628
129	Accrued interest receivable	68	-	-	-	68
120	Total receivables, net of allowance for doubtful accounts	<u>7,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,729</u>
131	Investments - unrestricted	92,322	-	-	-	92,322
142	Prepaid expenses and other assets	45,759	-	-	-	45,759
143	Inventories	8,138	-	-	-	8,138
143.1	Allowance for obsolete inventories	(407)	-	-	-	(407)
150	Total current assets	<u>602,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,978</u>
Noncurrent assets:						
Capital assets:						
161	Land	179,085	-	-	-	179,085
162	Buildings	6,131,928	-	-	-	6,131,928
163	Furniture, equipment and machinery - dwellings	53,491	-	-	-	53,491
164	Furniture, equipment and machinery - administration	111,143	-	-	-	111,143
165	Leasehold improvements	693,994	-	-	-	693,994
166	Accumulated depreciation	(6,000,562)	-	-	-	(6,000,562)
167	Construction in progress	336,145	-	-	-	336,145
160	Total capital assets, net of accumulated depreciation	<u>1,505,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,505,224</u>
180	Total noncurrent assets	<u>1,505,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,505,224</u>
190	Total assets	<u>2,108,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,108,202</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>						
200	Deferred outflows of resources	-	-	-	-	-
290	Total assets and deferred outflows of resources	<u>2,108,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,108,202</u>
<u>LIABILITIES:</u>						
Current liabilities:						
312	Accounts payable ≤ 90 days	156	-	-	-	156
322	Accrued compensated absences - current portion	8,252	-	-	-	8,252
333	Accounts payable - other government	24,963	-	-	-	24,963
341	Tenant security deposits	34,450	-	-	-	34,450
342	Unearned revenue	480	-	-	-	480
310	Total current liabilities	<u>68,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,301</u>
Noncurrent liabilities:						
354	Accrued compensated absences - non-current	29,963	-	-	-	29,963
350	Total noncurrent liabilities	<u>29,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,963</u>
300	Total liabilities	<u>98,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,264</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
400	Deferred inflows of resources	-	-	-	-	-
<u>NET POSITION:</u>						
508.4	Net investment in capital assets	1,505,224	-	-	-	1,505,224
512.4	Unrestricted net position	504,714	-	-	-	504,714
513	Total net position	<u>2,009,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,009,938</u>
600	Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,108,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,108,202</u>

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY PROJECT
FOR THE YEAR ENDED DECEMBER 31, 2020

Line Item #	Account Description	LA056000056				
		Conventional Program	CARES	Total CFP	Eliminations	Total
REVENUE:						
70300	Net tenant rental revenue	\$ 350,236	\$ -	\$ -	\$ -	\$ 350,236
70400	Tenant revenue - other	8,462	-	-	-	8,462
70500	Total tenant revenue	358,698	-	-	-	358,698
70600	HUD PHA operating grants	285,346	31,513	56,352	-	373,211
70610	Capital grants	-	-	180,642	-	180,642
71100	Investment income - unrestricted	675	-	-	-	675
71500	Other revenue	82,532	-	-	-	82,532
70000	Total revenue	727,251	31,513	236,994	-	995,758
EXPENSES:						
Administrative:						
91100	Administrative salaries	140,153	28,749	-	-	168,902
91200	Auditing fees	13,050	-	-	-	13,050
91400	Advertising and marketing	2,167	-	-	-	2,167
91500	Employee benefit contributions - administrative	79,602	-	-	-	79,602
91600	Office expenses	19,271	1,631	-	-	20,902
91800	Travel	1,349	-	-	-	1,349
91900	Other	28,013	-	-	-	28,013
91000	Total administrative	283,605	30,380	-	-	313,985
Tenant Services:						
92100	Tenant services - salaries	1,561	-	-	-	1,561
92300	Employee benefit contributions - tenant services	165	-	-	-	165
92400	Tenant services - other	-	1,133	-	-	1,133
92500	Total tenant services	1,726	1,133	-	-	2,859
Utilities:						
93100	Water	36,016	-	-	-	36,016
93200	Electricity	9,231	-	-	-	9,231
93300	Gas	31,544	-	-	-	31,544
93500	Labor	2,125	-	-	-	2,125
93600	Sewer	22,953	-	-	-	22,953
93000	Total utilities	101,869	-	-	-	101,869
Ordinary maintenance and operations:						
94100	Ordinary maintenance and operations - labor	39,424	-	-	-	39,424
94200	Ordinary maintenance and operations - materials and other	63,770	-	-	-	63,770
94300	Ordinary maintenance and operations - contract costs	72,982	-	-	-	72,982
94500	Employee benefit contributions - ordinary maintenance	26,914	-	-	-	26,914
94000	Total maintenance and operations	203,090	-	-	-	203,090
General expenses:						
96110	Property insurance	53,686	-	-	-	53,686
96120	Liability insurance	8,203	-	-	-	8,203
96130	Workmen's compensation	9,160	-	-	-	9,160
96140	All other insurance	47,611	-	-	-	47,611
96100	Total insurance premiums	118,660	-	-	-	118,660
96210	Compensated absences	10,115	-	-	-	10,115
96000	Payments in lieu of taxes	24,963	-	-	-	24,963
96400	Bad debt- tenant rents	3,382	-	-	-	3,382
96000	Total other general expenses	38,460	-	-	-	38,460
96900	Total operating expenses	747,410	31,513	-	-	778,923
97000	Excess revenue over operating expenses	(20,159)	-	236,994	-	216,835
97400	Depreciation expense	167,994	-	-	-	167,994
90000	Total expenses	915,404	31,513	-	-	946,917
OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	17,500	-	-	(17,500)	-
10020	Operating transfers out	-	-	(17,500)	17,500	-
10100	Total other financing sources (uses)	17,500	-	(17,500)	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ (170,653)	\$ -	\$ 219,494	\$ -	\$ 48,841
MEMO ACCOUNT INFORMATION:						
11030	Beginning equity	\$ 1,961,097	\$ -	\$ -	\$ -	\$ 1,961,097
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	-	-
11190	Unit months available	1,510	-	-	-	1,510
11210	Unit months leased	1,483	-	-	-	1,483
11270	Excess cash	418,903	-	-	-	418,903
11630	Building purchases	-	-	178,745	-	178,745
11640	Furniture and equipment - administrative purchases	-	-	1,897	-	1,897
11650	Leasehold improvements purchases	-	-	-	-	-

HOUSING AUTHORITY OF THE TOWN OF BERWICK
 BERWICK, LOUISIANA
 STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COSTS COMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2020

	Capital Fund Program 2017
Funds approved	\$ 158,780
Funds expended (1)	(158,780)
Excess of funds approved	\$ -
Funds advanced (2)	\$ 158,780
Funds expended	(158,780)
Excess of funds advanced	\$ -
(1) Cumulative accrued expenditures (2) Cash received in bank depository	

HOUSING AUTHORITY OF THE TOWN OF BERWICK
BERWICK, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Clarence Robinson, Jr
Executive Director

Salary	\$	80,510
Benefits - insurance (health and dental)		19,788
Benefits - retirement		3,220
Reimbursements		<u>144</u>
 Total compensation, benefits, and other payments	 \$	 <u><u>103,662</u></u>



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

To the Board of Commissioners of
Housing Authority of the Town of Berwick
Berwick, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the Town of Berwick (the Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 2, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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.



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
Housing Authority of the Town of Berwick
June 2, 2022

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose and is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 2, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

HOUSING AUTHORITY OF THE TOWN OF BERWICK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I - SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Housing Authority of the Town of Berwick.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements were reported in the 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*.
4. A management letter was not issued for the year ended December 31, 2020.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended December 31, 2020.

HOUSING AUTHORITY OF THE TOWN OF BERWICK
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I - FINDINGS - FINANCIAL STATEMENT AUDIT

Not applicable.

SECTION II – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

Not applicable.

SECTION III – MANAGEMENT LETTER

Not applicable.