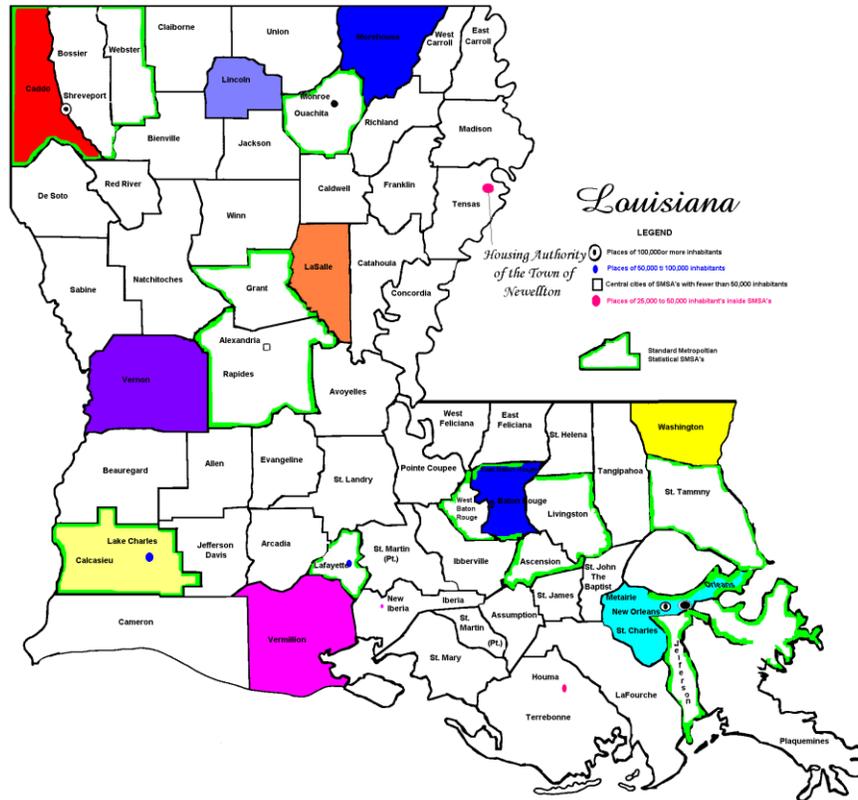


**HOUSING AUTHORITY
OF THE
TOWN OF NEWELLTON, LOUISIANA**

**Annual Financial Statements
June 30, 2024**

HOUSING AUTHORITY OF THE TOWN OF NEWELLTON NEWELLTON, LOUISIANA



* The Newellton Housing Authority is chartered as a public corporation for the purpose of administering housing programs for low-income families. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the Newellton Housing Authority to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**Table of Contents
June 30, 2024**

	<u>Page No.</u>
Independent Auditor's Report.....	1-4
Management's Discussion & Analysis.....	5-8
Basic Financial Statements	
Statement of Net Position.....	9
Statement of Revenues, Expenses, and Changes in Net Position.....	10
Statement of Cash Flows.....	11
Statement of Cash Flows, Reconciliation.....	12
Notes to the Basic Financial Statements.....	13-21
Supplemental Information	
Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer.....	23
Schedule of Compensation Paid to Board of Commissioners.....	24
Schedule of Expenditures of Federal Awards.....	25
Notes to the Schedule of Expenditures of Federal Awards.....	26
Other Reports	
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 <i>Government Auditing Standards</i>	28-29
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By Uniform Guidance.....	30-32
Schedule of Findings and Questioned Cost.....	33-34
Management's Corrective Action for Current Year Audit Findings.....	35
Management's Summary of Prior Year Findings.....	36
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	37-47
Financial Data Schedule.....	48

John R. Vercher C.P.A.
john@verchergroup.com

Jonathan M. Vercher M.S., C.P.A.
jonathan@verchergroup.com

David R. Vercher M.B.A., C.P.A., C.F.E.
david@verchergroup.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT

Housing Authority of the Town of Newellton
Newellton, Louisiana

Opinions

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Newellton, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the Town of Newellton, as of June 30, 2024, and the respective changes in financial position, and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the 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 the Town of Newellton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the Town of Newellton's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 aggregate, they would influence the judgement 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 judgement 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 the Town of Newellton 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 judgement, there are conditions or events considered in the aggregate, that raise substantial doubt about the Housing Authority of the Town of Newellton'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 management's discussion and analysis 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Newellton's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements 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 Schedule of Expenditures of Federal Awards, the Financial Data Schedule, the Schedule of Compensation, Benefits and Other Payments, and Supplementary Schedules and Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the Housing Authority of the Town of Newellton'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 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 Newellton's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated December 16, 2024, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards

applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those controls and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

The Vercher Group

Jena, Louisiana
December 16, 2024

**Housing Authority of the Town of Newellton
Management's Discussion and Analysis
June 30, 2024**

As management of the Housing Authority of the Town of Newellton, we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements, which are attached.

Financial Highlights

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$140,781 (net position).

As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$102,225.

The Authority's unrestricted cash balance at June 30, 2024, was \$70,579 and the restricted cash balance was \$5,531.

The Authority had total revenue of \$1,212,292 in which \$1,178,900 was operating revenue and \$33,392 was non-operating revenue.

The Authority had total expenses of \$1,169,364 in which \$1,142,965 was operating expenses and \$26,399 was non-operating expenses.

The Authority had a change in net position of \$42,928.

Overview of the Basic Financial Statements

The discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and the notes to the basic financial statements.

The Authority has only one fund type, namely a proprietary fund. The Statement of Net Position includes all of the Authority's assets and liabilities. This fund type is unused for activities which are financed and operated in a manner similar to those in the private sector.

The authority has one main funding source in its financial operation. Following is a brief description of this source.

Section 8 Housing Assistance – Housing Choice Voucher Program – These programs assist low-income families in affording decent, safe, and sanitary housing by encouraging property owners to construct new, or rehabilitate existing substandard housing, and then lease the units with rental subsidies to low-income families.

**Housing Authority of the Town of Newellton
Management's Discussion and Analysis - Continued
June 30, 2024**

The Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements.

The table below lists the asset and liability comparisons for the year ended June 30, 2024.

Statement of Net Position

	<u>2023</u>	<u>2024</u>	<u>% Change</u>
Current Assets	\$ 74,900	\$ 120,631	61.2
Restricted Assets	5,531	5,531	0.0
Total Current Assets	<u>80,431</u>	<u>126,162</u>	57.0
Capital Assets, Net of Depreciation	44,472	42,546	-4.3
Total Non-Current Assets	<u>44,472</u>	<u>42,546</u>	-4.3
Total Assets	<u>124,903</u>	<u>168,708</u>	35.1
Current Liabilities	4,063	18,663	359.3
Non-Current Liabilities	22,987	9,264	-59.7
Total Liabilities	<u>27,050</u>	<u>27,927</u>	3.2
Net Investment in Capital Assets	26,815	33,025	23.2
Restricted Net Position	5,531	5,531	0.0
Unrestricted Net Position	65,507	102,225	56.1
Total Net Position	<u>\$ 97,853</u>	<u>\$ 140,781</u>	43.9

- Total current assets increased by \$45,731 or 57.0% from last year. The reason for this increase is due to an increase in cash of \$44,790.
- Total liabilities increased by \$877 or 3.2%. The reason for this increase is due to an increase in unearned revenue of \$7,200.
- Total net position increased by \$42,928 or 43.9%. The increase in unrestricted cash is the main contributor for this increase.

**Housing Authority of the Town of Newellton
Management's Discussion and Analysis - Continued
June 30, 2024**

The table below lists the revenue and expense comparisons for the year ended June 30, 2024.

Statement of Revenues, Expenses, & Change in Net Position

	<u>2023</u>	<u>2024</u>	<u>% Change</u>
Operating Revenues			
HUD Operating Grant	\$ 898,775	\$ 1,178,900	31.2
Total Operating Revenues	<u>898,775</u>	<u>1,178,900</u>	31.2
Operating Expenses			
Administrative	100,573	102,579	2.0
Insurance	5,211	4,701	-9.8
Utilities	4,295	6,164	43.5
General Expenses	2,301	1,883	-18.2
Housing Assistance Payments	779,446	1,023,711	31.3
Housing Assistance Payments Port-In	-0-	2,001	100.0
Depreciation Expenses	1,926	1,926	0.0
Total Operating Expenses	<u>893,752</u>	<u>1,142,965</u>	27.9
Operating Income (Loss)	<u>5,023</u>	<u>35,935</u>	615.4
Non-Operating Revenues (Expenses)			
Casualty Losses	-0-	(26,399)	-100.0
Other Revenue	6,508	33,257	411.0
Investment Income	117	135	15.4
Total Non-Operating Revenues (Expenses)	<u>6,625</u>	<u>6,993</u>	5.6
Change in Net Position	11,648	42,928	268.5
Net Position – Beginning	86,205	97,853	13.5
Net Position – Ending	\$ <u>97,853</u>	\$ <u>140,781</u>	43.9

- Operating revenues increased by \$280,125 or 31.2%. This increase is due to an increase in HUD Operating.
- Operating expenses increased by \$249,213 or 27.9%. The primary cause of this increase is due to an increase in housing assistance payments expense in the amount of \$244,265.
- Non-operating revenues increased by \$368 or 5.6% due to an increase in other revenue in the amount of \$26,749.

**Housing Authority of the Town of Newellton
Management's Discussion and Analysis - Continued
June 30, 2024**

Capital Asset & Debt Administration

Capital Assets

As of June 30, 2024, the Authority's investment in capital assets was \$42,546 (net of accumulated depreciation). This investment included a portable building, furniture, and equipment.

Capital Assets	2023	2024
Building	54,000	54,000
Furniture & Equipment	24,436	24,436
Accumulated Depreciation	(33,964)	(35,890)
Capital Assets, Net of Accumulated Depreciation	\$ 44,472	\$ 42,546

Long Term Debt

Newellton Housing Authority borrowed \$56,000 from Tensas State Bank on September 28, 2016, payable in 85 monthly payments of \$504.84 at 5% interest until October 28, 2025.

The following is a summary of notes payable transactions of Newellton Housing Authority for the year ended June 30, 2024.

	Balance 6-30-2023	Additions	Principle Paid	Balance 6-30-2024
Loan	\$ 17,657	\$ -0-	\$ 8,136	\$ 9,521
Total	\$ 17,657	\$ -0-	\$ 8,136	\$ 9,521

Future Events That Will Impact the Authority

The Authority relies heavily upon HUD operating subsidies. The amount appropriated has not currently been approved for the 2025 fiscal year. Therefore, any results of budget shortfalls cannot be determined.

The Authority is under a contract through its Capital Fund Program to continue with the work as stated above and incorporate any new work items into its operation.

Contacting the Authority's Financial Management

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

Housing Authority of the Town of Newellton
PO Box 1021
Newellton, LA 71357-1021
(318) 467-2151

**Housing Authority of the Town of Newellton
Newellton, Louisiana
Statement of Net Position
June 30, 2024**

	ENTERPRISE FUND
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 70,579
Accounts Receivable, Net	47,639
Prepaid Expenses	2,413
RESTRICTED ASSETS:	
Other Restricted Cash	5,531
TOTAL CURRENT ASSETS	126,162
NONCURRENT ASSETS	
Capital Assets (Net of Accumulated Depreciation)	42,546
TOTAL NONCURRENT ASSETS	42,546
TOTAL ASSETS	168,708
CURRENT LIABILITIES	
Accounts Payable Vendors	3,248
Accounts Payable-HUD	474
Accrued Compensated Absences - Current	942
Accrued Wages Payable	78
Unearned Revenue	7,200
Current Portion of Long-Term Debt	6,721
TOTAL CURRENT LIABILITIES	18,663
NONCURRENT LIABILITIES	
Accrued Compensated Absences - Noncurrent	6,464
Notes Payable	2,800
TOTAL NONCURRENT LIABILITIES	9,264
TOTAL LIABILITIES	27,927
NET POSITION	
Capital Assets, Net Related Debt	33,025
Restricted- Expendable	5,531
Unrestricted	102,225
TOTAL NET POSITION	\$ 140,781

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Newellton
Newellton, Louisiana
Statement of Revenues, Expenses, & Changes In
Net Position – Proprietary Funds
Year Ended June 30, 2024**

	ENTERPRISE FUND
OPERATING REVENUES	
HUD PHA Operating Grant	\$ 1,178,900
TOTAL OPERATING REVENUES	<u>1,178,900</u>
OPERATING EXPENSES	
Administration	102,579
Insurance	4,701
Utilities	6,164
Other General Expenses	1,883
Housing Assistance Payments	1,023,711
Housing Assistance Payments Port-In	2,001
Depreciation Expense	1,926
TOTAL OPERATING EXPENSES	<u>1,142,965</u>
OPERATING INCOME (LOSS)	<u>35,935</u>
NONOPERATING REVENUES (EXPENSES)	
Other Revenue	33,257
Interest Earnings	135
Casualty Losses	(26,399)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>6,993</u>
CHANGE IN NET POSITION	42,928
TOTAL NET POSITION – BEGINNING	<u>97,853</u>
TOTAL NET POSITION – ENDING	<u>\$ 140,781</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Newellton
Newellton, Louisiana
Statement of Cash Flows
Year Ended June 30, 2024**

	<u>ENTERPRISE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from HUD	\$ 1,185,000
Payments to Employees	(102,501)
Payments to Suppliers	(1,036,566)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>45,933</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other Revenue	33,257
Casualty Losses	(26,399)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>6,858</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	-0-
Principal Payments on Long-Term Debt	(8,136)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(8,136)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest & Dividends Received	135
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>135</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	44,790
CASH, BEGINNING OF YEAR	<u>31,320</u>
CASH, END OF YEAR	<u><u>76,110</u></u>
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	70,579
Restricted Cash	5,531
TOTAL CASH & CASH EQUIVALENTS	<u>\$ <u>76,110</u></u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Newellton
Newellton, Louisiana
Statement of Cash Flows
Year Ended June 30, 2024**

Reconciliation

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$	35,935
	
Depreciation Expense		1,926
(Increase) Decrease in Prepaid Expenses		159
(Increase) Decrease in Accounts Receivable		(1,100)
Increase (Decrease) in Accounts Payable		1,735
Increase (Decrease) in Accrued Wages/Payroll Taxes Payable		78
Increase (Decrease) in Compensated Absences		-0-
Increase (Decrease) in Unearned Revenue		7,200
	
TOTAL ADJUSTMENTS		9,998
	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		45,933
		=====

LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES

Contributions of Capital Assets from Government	\$	-0-
		=====

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

Housing authorities are chartered as public corporations under the laws LSA-R.S. 40:391 of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. 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 of the Town of Newellton is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Newellton, serve a term of four years.

The housing authority participates in a Section 8 housing assistance payment program. The housing choice voucher program provides assistance to low-income persons seeking housing by subsidizing rents between residents, and owners of existing private housing. Under this program, the housing authority enters into housing assistance payment contracts with landlords. The program provides for a voucher which can be used by the resident to pay rent to any landlord he chooses.

The housing authority has the following units:

Section 8	<u>Contract Number</u>	<u>Number of Units</u>
Housing Choice Vouchers Authorized	FW 2236	251 Enhanced

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the housing authority is legally separate and fiscally independent, the housing authority is a separate governmental reporting entity. The housing authority includes all funds, activities, et cetera, that are within the oversight responsibility of the housing authority.

The housing authority is a related organization of the Town of Newellton since the Town of Newellton appoints a voting majority of the housing authority's governing board. The Town of Newellton 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 Town of Newellton. Accordingly, the housing authority is not a component unit of the financial reporting entity of the Town of Newellton.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
JUNE 30, 2024**

Certain units of local government over which the housing authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying basic financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the housing authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

B. BASIS FOR PRESENTATION

As required by Louisiana State Reporting Law (LSA-R.S. 24:514) and HUD regulations, financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The accounts of the PHA are accounted for under the proprietary fund. Accordingly, the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units.

Proprietary Fund Type – Proprietary fund is accounted for on the flow of economic resources measurements focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The PHA applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. The PHA’s funds include the following type:

Enterprise Fund – Enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

C. BASIC FINANCIAL STATEMENTS

The basic financial statements (i.e., the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position) report information on all the activities of the authority.

D. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets- Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
JUNE 30, 2024**

Restricted Net Position- Net position with constraints placed on their 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”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

E. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues and expenses have been reported separately from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The primary operating revenue of the housing authority is derived from tenant revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. CASH & CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the housing authority may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
JUNE 30, 2024**

G. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year referred to as either “due to/from other funds” (i.e., the current portion of Interfund loans) or “advances to/from other funds” (i.e., the non-current portion of Interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the accompanying financial statements, are offset by a restriction on net assets. All trade and other receivables are shown net of an allowance for uncollectable.

H. INVENTORIES & PREPAID ITEMS

All inventories are valued at cost using the first-in/first out method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both basic and fund financial statements.

I. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable columns in the basic financial statements. Capital assets are capitalized at historical cost. The housing maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 years
Furniture & Fixtures	3 years

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
JUNE 30, 2024**

J. LONG-TERM OBLIGATIONS

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At June 30, 2024, the housing authority has cash and investments (book balances) totaling \$76,110 as follows:

Demand deposits	\$ 76,110
Total	\$ <u>76,110</u>

These deposits are stated at cost, which is approximated market. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
JUNE 30, 2024**

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity’s name.

Deposits

It is the housing authority’s policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The housing authority’s deposits are categorized to give an indication of the level of risk assumed by the housing authority at year end. The categories are described as follows:

- ***Category 1*** – Insured or collateralized with securities held by the housing authority or by its agent in the housing authority’s name.
- ***Category 2*** – Collateralized with securities held by the pledging financial institution’s trust department or agent in the housing authority’s name.
- ***Category 3*** – Uncollateralized.

Amounts on deposit are secured by the following pledges:

Description	Tensas State Bank
FDIC (Category 1)	\$ 76,110
Securities (Category 2)	-0-
Total Securities	\$ <u>76,110</u>

Deposits were fully secured as of June 30, 2024.

The following represents Restricted Cash:

Other Restricted Cash	\$ <u>5,531</u>
Total Restricted Cash	\$ <u>5,531</u>

Other Restricted Cash represents funds designated to be paid to lessors and or tenants in Section 8 Program or Disaster Housing Assistance Program (DHAP).

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
JUNE 30, 2024**

3. CAPITAL ASSETS

All fixed assets are stated at cost. The fixed assets are depreciated using the straight-line method of depreciation with lives ranging from 5-40 years. Changes in fixed assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Building	54,000	-0-	-0-	54,000
Furniture & Equipment	24,436	-0-	-0-	24,436
Total Capital Assets	78,436	-0-	-0-	78,436
Less Accumulated Depreciation	(33,964)	(1,926)	-0-	(35,890)
Net Capital Assets	\$ 44,472	\$ (1,926)	\$ -0-	\$ 42,546

The Town of Newellton has allowed the Housing Authority to use the land in which the office’s building is located, rent free.

4. CHANGES IN COMPENSATED ABSENCES PAYABLES

The following is a summary of changes in compensated absences payable at June 30, 2024:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Beginning of year	\$ 942	\$ 6,464	\$ 7,406
Additions/Retirements	-0-	-0-	-0-
End of year	\$ 942	\$ 6,464	\$ 7,406

5. LONG-TERM OBLIGATIONS

To provide for the development and modernization of low-rent housing units, the PHA issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the Authority, and accordingly, have not been reported in the accompanying financial statements. This debt has been reclassified to HUD equity.

6. CONTINGENT LIABILITIES

At June 30, 2024, the housing authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the housing authority in the current and prior years. These examinations may result in required refunds by the housing authority to federal grantors and/or program beneficiaries.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
JUNE 30, 2024**

7. DEFINED CONTRIBUTION PLAN

The housing authority provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the first anniversary date of employment. Each participant in the plan is required to make a monthly contribution equal to five percent of his effective compensation. The employer makes a monthly contribution equal to seven percent of each participant's effective compensation. 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 for and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the housing authority.

The housing authority currently has only one employee participating in the plan which was established pursuant to board resolution.

The total payroll for the covered employee was \$59,118. Both the housing authority (7% contribution) and the covered employees (5% contribution) made the required contributions, amounting to \$7,094.

8. RISK MANAGMENT

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.

9. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing & Urban Development provided \$1,178,900 to the housing authority, which represents approximately 97.3% of the housing authority's revenue for the year.

10. RESTRICTED NET ASSETS

Restricted net assets represent funds designated to be paid to lessors and or tenants in Section 8 Program or Disaster Housing Assistance Program (DHAP).

11. CHANGES IN LONG-TERM DEBT

Newellton Housing Authority borrowed \$56,000 from Tensas State Bank on September 28, 2016, payable in 85 monthly payments of \$504.84 at 5% interest until October 28, 2025.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
JUNE 30, 2024**

The following is a summary of notes payable transactions of Newellton Housing Authority for the year ended June 30, 2024.

	<u>Balance 6-30-2023</u>	<u>Additions</u>	<u>Principle Paid</u>	<u>Balance 6-30-2024</u>
Loan	\$ 17,657	\$ -0-	\$ 8,136	\$ 9,521
Total	<u>\$ 17,657</u>	<u>\$ -0-</u>	<u>\$ 8,136</u>	<u>\$ 9,521</u>

The annual requirements to amortize all debt outstanding as of June 30, 2024, including interest payments, are as follows:

	<u>Year Ending June 30,</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2025		9,521	472	9,993
Total		<u>\$ 9,521</u>	<u>\$ 472</u>	<u>\$ 9,993</u>

12. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, December 16, 2024, of the independent auditor's report for potential recognition or disclosure in the financial statements.

Other Supplemental Schedules

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2024**

Alma McMillin, Executive Director

Purpose	Amount
Salary	\$ 44,000
Benefits-Insurance	14,432
Benefits-Retirement	2,730
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	946
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Housing Authority of the Town of Newellton
Newellton, Louisiana
Schedule of Compensation Paid to Board Members
Year Ended June 30, 2024**

<u>Board Member</u>	<u>Title</u>	<u>Salary</u>
Timothy Turner	Mayor	\$ -0-
Deborah Parson	Commissioner	-0-
Ben Britton	Commissioner	-0-
Mattie Sampson	Commissioner	-0-
Jacquelin Hankins	Commissioner	\$ -0-

The members of the Board of Commissioners serve without compensation.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures (\$)</i>
<i>Housing Voucher Cluster-Cluster</i>		
Department of Housing and Urban Development		
Section 8 Housing Choice Vouchers	14.871	1,178,900
<i>Total Department of Housing and Urban Development</i>		1,178,900
<i>Total Housing Voucher Cluster-Cluster</i>		
 <i>Total Expenditures of Federal Awards</i>		1,178,900

See independent auditor's report.

The accompanying notes are an integral part of this schedule.

**Housing Authority of the Town of Newellton
Newellton, Louisiana**

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Note A – Single Audit Requirements

The Office of Management and Budget “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule” was released in the Federal Register on December 26, 2013 (2 CFR Chapter I, Chapter II, Part 200, et al.). This guidance supersedes requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.” The new requirements state that an entity expending \$750,000 or more of federal funds adhere to the Uniform Requirements.

The funds used to account for these funds use the accrual basis of accounting.

1.) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority’s basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2.) Basis of Accounting

The accompanying Schedule of expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority’s basic financial statements.

3.) Relationship to Basic Financial Statements

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

General:	
Operating Fund Section 8	\$ 1,178,900
Total	\$ <u>1,178,900</u>

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 U.S. generally accepted accounting principles.

4.) Federal Awards

In accordance with HUD Notice PIH 98-14, “federal awards” do not include the Housing Authority’s operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be “expended” during the fiscal year.

5.) Indirect Cost Rate

Newellton Housing Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Presented for purposes of additional analysis only.



Other Reports

John R. Vercher C.P.A.
john@verchergroup.com

Jonathan M. Vercher M.S., C.P.A.
jonathan@verchergroup.com

David R. Vercher M.B.A., C.P.A., C.F.E.
david@verchergroup.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

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

Housing Authority of the Town of Newellton
Newellton, 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 Newellton, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Newellton's basic financial statements, and have issued our report thereon dated December 16, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the Town of Newellton's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the Town of Newellton's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Newellton'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 or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Newellton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document, and its distribution is not limited.

The Vercher Group

Jena, Louisiana

December 16, 2024

John R. Vercher C.P.A.
john@verchergroup.com

Jonathan M. Vercher M.S., C.P.A.
jonathan@verchergroup.com

David R. Vercher M.B.A., C.P.A., C.F.E.
david@verchergroup.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Housing Authority of the Town of Newellton
Newellton, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the Town of Newellton, LA’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Housing Authority of the Town of Newellton, LA’s major federal programs for the year ended June 30, 2024. The Housing Authority of the Town of Newellton, LA’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Authority of the Town of Newellton, LA 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 June 30, 2024.

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 Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority of the Town of Newellton, LA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Housing Authority of the Town of Newellton, LA’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Housing Authority of the Town of Newellton, LA'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 Housing Authority of the Town of Newellton, LA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Housing Authority of the Town of Newellton, LA'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 Housing Authority of the Town of Newellton, LA'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 Housing Authority of the Town of Newellton, LA'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 Housing Authority of the Town of Newellton, LA'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 charged 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.

This report is intended solely for the information and use of management, the Legislative Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document, and its distribution is not limited.

The Vercher Group

Jena, Louisiana

December 16, 2024

**HOUSING AUTHORITY OF THE TOWN OF NEWELLTON
NEWELLTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2024**

We have audited the basic financial statements of the Housing Authority of the Town of Newellton, as of and for the year ended June 30, 2024, and have issued our report thereon dated December 16, 2024. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I Summary of Auditor’s Results

Our audit of the financial statements as of June 30, 2024, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes

Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

Are the findings required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee a ‘low-risk’ auditee, as defined by OMB Uniform Guidance? Yes No

**HOUSING AUTHORITY OF THE TOWN OF NEWELLTON
NEWELLTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2024**

Section II Financial Statement Findings

No items identified.

Section III Federal Awards Findings and Question Costs

No items identified.

**HOUSING AUTHORITY OF THE TOWN OF NEWELLTON
NEWELLTON, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS**

FINDINGS:

No items identified.

**HOUSING AUTHORITY OF THE TOWN OF NEWELLTON
NEWELLTON, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Housing Authority of the Town of Newellton, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2023.

PRIOR YEAR FINDINGS

No findings.

John R. Vercher C.P.A.
john@verchergroup.com

Jonathan M. Vercher M.S., C.P.A.
jonathan@verchergroup.com

David R. Vercher M.B.A., C.P.A., C.F.E.
david@verchergroup.com

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

MEMBERS

American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Association of
Certified Fraud Examiners

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Housing Authority of the Town of Newellton
Newellton, Louisiana

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 July 1, 2023, through June 30, 2024. The Housing Authority of the Town of Newellton's management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority of the Town of Newellton 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 July 1, 2023, through June 30, 2024. 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:

Written Policies and Procedures

- 1) Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **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.
 - c) **Disbursements**, including processing, reviewing, and approving.

- d) **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 fiduciary fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, fiduciary fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (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.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-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).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **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) requirement that all employees, including elected officials and appointed board members, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **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 requirement.

No exceptions noted in the procedures performed.

Board or Finance Committee

- 2) 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:
 - a) 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.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-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.
- c) 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.

No exceptions noted in the procedures performed.

- 3) 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.

No exceptions noted in the procedures performed.

Bank Reconciliations

- 4) Obtain a listing of client 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:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged).
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted in the procedures performed.

Collections (excluding EFTs)

- 5) 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).

No exceptions noted in the procedures performed.

- 6) 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:
- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not 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.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or fiduciary fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted in the procedures performed.

- 7) Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions noted in the procedures performed.

- 8) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). Alternately, 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:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted in the procedures performed.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 9) 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).

No exceptions noted in the procedures performed.

- 10) For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) 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.
 - d) 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.
 - e) 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.

No exceptions noted in the procedures performed.

- 11) For each location selected under #8 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:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted in the procedures performed.

- 12) Using the entity's main operating account and the month selected in bank reconciliation's procedure, 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 per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

No exceptions noted in the procedures performed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 13) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

No exceptions noted in the procedures performed.

- 14) 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:

- a) Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted in the procedures performed.

- 15) Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing) . 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted in the procedures performed.

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

- 16) 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, 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:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) 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 policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in the procedures performed.

Contracts

- 17) 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. Alternately, 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:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in the procedures performed.

Payroll and Personnel

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

No exceptions noted in the procedures performed.

- 19) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not

document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted in the procedures performed.

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

No exceptions noted in the procedures performed.

- 21) Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted in the procedures performed.

Ethics

- 22) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No exceptions noted in the procedures performed.

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

No exceptions noted in the procedures performed.

Debt Service

24) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

No exceptions noted in the procedures performed.

25) 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).

No exceptions noted in the procedures performed.

Fraud Notice

26) 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.

No exceptions noted in the procedures performed.

27) 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.

No exceptions noted in the procedures performed.

Information Technology Disaster Recovery/Business Continuity

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

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have active antivirus software and that the antivirus, operating system, and accounting system software are the most recent versions available (i.e. up-to-date).

We performed the procedures and discussed the results with management.

- 29) Randomly select 5 terminated employees (or all terminated employees is less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions noted in the procedures performed.

- 30) Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020—completed the training; and
- Hired on or after June 9, 2020—completed the training within 30 days of initial service or employment.

Exception: None of the employees/officials had one hour of cybersecurity training.

Management: The Village will ensure that all employees/officials will take one hour of cybersecurity training.

Prevention of Sexual Harassment

- 31) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, 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.

No exceptions noted in the procedures performed.

- 32) 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).

No exceptions noted in the procedures performed.

- 33) 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 it includes the applicable requirements of R.S. 42:344.

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

Exceptions: The selected employees/officials did not complete one hour of sexual harassment training during the calendar year and the sexual harassment report was not completed.

Management's Response: All employees/elected officials will complete at least one hour of sexual harassment training each calendar year and the entity will issue a sexual harassment report before February 1.

We were engaged by the Housing Authority of the Town of Newellton 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.

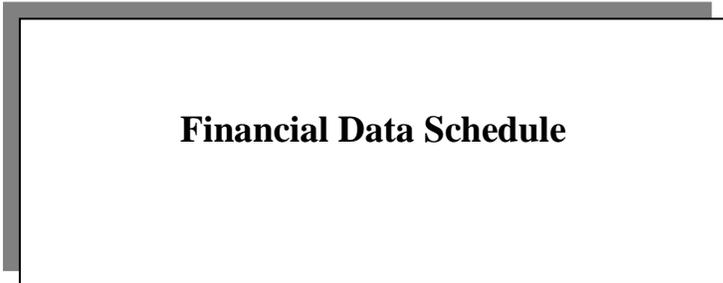
We are required to be independent of the Housing Authority of the Town of Newellton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.

The Vercher Group

Jena, Louisiana

December 16, 2024



Financial Data Schedule

Housing Authority of Newellton (LA169)

Newellton, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2024

	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	Subtotal	Total
111 Cash - Unrestricted	\$70,579	\$5,531	\$76,110	\$76,110
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted				
114 Cash - Tenant Security Deposits				
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$70,579	\$5,531	\$76,110	\$76,110
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects	\$47,639		\$47,639	\$47,639
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants				
126.1 Allowance for Doubtful Accounts - Tenants	\$0		\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$47,639	\$0	\$47,639	\$47,639
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$2,413		\$2,413	\$2,413
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$120,631	\$5,531	\$126,162	\$126,162
161 Land				
162 Buildings				
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration	\$78,436		\$78,436	\$78,436
165 Leasehold Improvements				

166 Accumulated Depreciation	-\$35,890		-\$35,890	-\$35,890
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$42,546	\$0	\$42,546	\$42,546
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	\$42,546	\$0	\$42,546	\$42,546
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$163,177	\$5,531	\$168,708	\$168,708
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$3,248		\$3,248	\$3,248
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$78		\$78	\$78
322 Accrued Compensated Absences - Current Portion	\$942		\$942	\$942
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs	\$474		\$474	\$474
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits				
342 Unearned Revenue	\$7,200		\$7,200	\$7,200
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$6,721		\$6,721	\$6,721
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other				
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$18,663	\$0	\$18,663	\$18,663
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$2,800		\$2,800	\$2,800
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current	\$6,464		\$6,464	\$6,464
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$9,264	\$0	\$9,264	\$9,264

300 Total Liabilities	\$27,927	\$0	\$27,927	\$27,927
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$33,025		\$33,025	\$33,025
511.4 Restricted Net Position				
512.4 Unrestricted Net Position	\$102,225	\$5,531	\$107,756	\$107,756
513 Total Equity - Net Assets / Position	\$135,250	\$5,531	\$140,781	\$140,781
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$163,177	\$5,531	\$168,708	\$168,708

Housing Authority of Newellton (LA169)

Newellton, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2024

	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	Subtotal	Total
70300 Net Tenant Rental Revenue				
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$1,178,900		\$1,178,900	\$1,178,900
70610 Capital Grants				
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants				
71100 Investment Income - Unrestricted	\$135		\$135	\$135
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$33,257		\$33,257	\$33,257
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$1,212,292	\$0	\$1,212,292	\$1,212,292
91100 Administrative Salaries	\$59,118		\$59,118	\$59,118
91200 Auditing Fees	\$8,650		\$8,650	\$8,650
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative	\$14,773		\$14,773	\$14,773
91600 Office Expenses	\$15,264		\$15,264	\$15,264
91700 Legal Expense				
91800 Travel	\$1,774		\$1,774	\$1,774
91810 Allocated Overhead				
91900 Other	\$3,000		\$3,000	\$3,000

91000 Total Operating - Administrative	\$102,579	\$0	\$102,579	\$102,579
92000 Asset Management Fee				
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other				
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93100 Water	\$2,045		\$2,045	\$2,045
93200 Electricity	\$4,119		\$4,119	\$4,119
93300 Gas				
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$6,164	\$0	\$6,164	\$6,164
94100 Ordinary Maintenance and Operations - Labor				
94200 Ordinary Maintenance and Operations - Materials and Other				
94300 Ordinary Maintenance and Operations Contracts				
94500 Employee Benefit Contributions - Ordinary Maintenance				
94000 Total Maintenance	\$0	\$0	\$0	\$0
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$1,568		\$1,568	\$1,568
96120 Liability Insurance	\$1,159		\$1,159	\$1,159
96130 Workmen's Compensation	\$1,974		\$1,974	\$1,974
96140 All Other Insurance				
96100 Total insurance Premiums	\$4,701	\$0	\$4,701	\$4,701
96200 Other General Expenses	\$989		\$989	\$989
96210 Compensated Absences				
96300 Payments in Lieu of Taxes				
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				

96000 Total Other General Expenses	\$989	\$0	\$989	\$989
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)	\$894		\$894	\$894
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$894	\$0	\$894	\$894
96900 Total Operating Expenses	\$115,327	\$0	\$115,327	\$115,327
97000 Excess of Operating Revenue over Operating Expenses	\$1,096,965	\$0	\$1,096,965	\$1,096,965
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized	\$26,399		\$26,399	\$26,399
97300 Housing Assistance Payments	\$1,023,711		\$1,023,711	\$1,023,711
97350 HAP Portability-In	\$2,001		\$2,001	\$2,001
97400 Depreciation Expense	\$1,926		\$1,926	\$1,926
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$1,169,364	\$0	\$1,169,364	\$1,169,364
10010 Operating Transfer In				
10020 Operating transfer Out				
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$42,928	\$0	\$42,928	\$42,928
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$92,322	\$5,531	\$97,853	\$97,853
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	\$135,250		\$135,250	\$135,250
11180 Housing Assistance Payments Equity	\$0		\$0	\$0
11190 Unit Months Available	2360		2360	2360
11210 Number of Unit Months Leased	2161		2161	2161
11270 Excess Cash				
11610 Land Purchases				
11620 Building Purchases				
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				