

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

**FINANCIAL STATEMENTS
&
SUPPLEMENTAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2023

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
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HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
MANAGEMENT DISCUSSION & ANALYSIS
YEAR ENDED SEPTEMBER 30, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Management’s Discussion and Analysis (the “MD&A”) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Housing Authority of the City of Shreveport’s (the “Authority”) financial activity, (c) identify changes in the Authority’s financial position (its ability to address the next and subsequent years’ challenges), and (d) identify issues or concerns. This will now be presented at the front of each year’s financial statements. Since the MD&A is designed to focus on the current year’s activities, resulting changes, and currently known facts, please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Net position at September 30, 2023, increased to \$34,705,363. Since the Authority engages only in business-type activities, the increase for the Authority is all in the category of business-type net position. Net position was \$31,779,234 for 2022.
- The total operating revenues of all programs for September 30, 2023, increased to \$28,446,108. Total operating revenues were \$26,522,399 for 2022.
- The total operating expenses of all programs for September 30, 2023, increased to \$25,979,219. Total operating expenses were \$23,531,453 for 2022.
- The total nonoperating activity for September 30, 2023, increased to \$459,240. Total nonoperating activity was \$356,872 for 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged only in business-type activities. While the Authority’s financial statements include a Limited Liability Company (LLC) that is considered a discretely presented component unit of the Authority, the following overview focuses on the primary government (the Authority and its Blended Component Unit, Shreveport Leased Housing Corporation) and does not address all of the effects the discretely presented component unit has on the primary government’s operations.

This MD&A is intended to serve as an introduction to the Authority’s basic financial statements.

The following financial statements are included in this report:

- Statement of Net Position – reports current financial resources (short-term expendable resources) with capital assets and long-term obligations.
- Statement of Revenues, Expenses, and Changes in Fund Net Position – reports operating and nonoperating revenue, by major source, along with operating and nonoperating expenses and capital contributions.
- Statement of Cash Flows – reports cash flows from operating, investing, capital, and non-capital activities.

PROGRAMS

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidy and capital grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income (as defined in the HUD regulations).

Capital Fund Grants – The Authority’s capital funds are received from the federal government through a formula driven computation. These funds are used to upgrade our facilities at various developments to give our residents the decent and safe living environment they need. Each year’s grant funds must be entirely obligated within two years of inception of the grant, and entirely expended within four years.

Housing Voucher Cluster – Under the Housing Choice Voucher Program, Mainstream Voucher Program, and Emergency Housing Voucher program, the Authority contracts with independent landlords that own property for rent. The Authority subsidizes the family’s rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participant’s rent at 30% or up to 40% of household income.

State/Local, Community Development Block Grant Disaster Recovery Grants, and HOME Investment Partnerships Programs – The Authority administers as sub-recipient’s various grants and housing programs from the local governmental entities. Congress amended the Housing and Community Development Act of 1974 (HCD Act) in 1981 to give each jurisdiction the opportunity to administer Community Development Block Grant (CDBG) funds for non-entitlement areas. CDBG provides states, eligible metropolitan cities, and urban counties with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons. The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

Discretely Presented Component Unit – Discretely presented component unit consists of Shreveport BDB Housing Partners, LLC, which was formed as a limited liability company (LLC) under the laws of the State of Louisiana on October 2, 2017, for the purpose of investing in real estate and the construction, and sale and/or leasing of the Company property. The project consists of a 100-unit apartment complex known as Barton Drive Manor Apartment Complex and a 32-unit apartment complex known as Briarwood Village Apartment Complex located in Shreveport, Louisiana.

Blended Component Unit – Blended component unit consists of Shreveport Leased Housing Corporation which was founded in August 1974 as a non-profit organization pursuant to Louisiana Statutes. The Corporation has a Board of Directors to oversee its operations. Shreveport Leased Housing was created to assist, as a public charity, needy persons of low income by providing safe, sanitary, and affordable housing. Additional information concerning the Shreveport Leased Housing Corporation can be obtained by contacting the Authority. Shreveport Leased Housing Corporation is the sole member of HACS BDB Housing, LLC, Renaissance at Allendale GP, LLC, and Cypress Landing, GP, LLC. As a result, the financials of these solely owned entities are included within Shreveport Leased Housing Corporation’s financials.

Central Office Cost Center – In accordance with HUD’s Asset Management rules, the Authority established a central office cost center (COCC) to record costs that are indirect in nature and cannot be charged directly to the developments. This method allows the COCC to bill the developments for services such as plumbing, electrical, HVAC, etc. Also, the COCC earns fees for Asset Management, Bookkeeping and Property Management fees. HUD has assured the authorities that any profit created by the COCC using this fee-for-service approach will be treated as non-federal (unrestricted) funds.

Family Self Sufficiency Program – This program is an employment and savings incentive program for residents in the Section 8 and low rent public housing programs helping them to increase their earned income and reduce their dependency on welfare assistance and rental subsidies.

Youth Build Program – This program is a community-based pre-apprenticeship program that provides job training and educational opportunities for at-risk youth ages 16-24 who have previously dropped out of high school.

FINANCIAL ANALYSIS

The following tables focus on the net position and the change in net position of the Authority as a whole. Only the primary government is presented and the discretely presented component unit is excluded.

TABLE 1 – STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Current Assets	\$ 22,144,379	\$ 17,327,042	\$ 4,817,337	27.80%
Capital Assets, Net	10,171,495	10,489,764	(318,269)	-3.03%
Other Noncurrent Assets	<u>5,978,982</u>	<u>5,988,208</u>	<u>(9,226)</u>	-0.15%
Total Assets	<u>38,294,856</u>	<u>33,805,014</u>	<u>4,489,842</u>	13.28%
Current Liabilities	968,266	993,981	(25,715)	-2.59%
Noncurrent Liabilities	<u>2,229,921</u>	<u>640,493</u>	<u>1,589,428</u>	248.16%
Total Liabilities	<u>3,198,187</u>	<u>1,634,474</u>	<u>1,563,713</u>	95.67%
Deferred Inflows of Resources	<u>391,306</u>	<u>391,306</u>	<u>-</u>	0.00%
Net Position				
Net Investment in Capital Assets	8,571,495	10,489,764	(1,918,269)	-18.29%
Restricted	16,590	20,868	(4,278)	-20.50%
Unrestricted	<u>26,117,278</u>	<u>21,268,602</u>	<u>4,848,676</u>	22.80%
Total Net Position	<u>\$ 34,705,363</u>	<u>\$ 31,779,234</u>	<u>\$ 2,926,129</u>	9.21%

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets increased by \$4,817,337 primarily due to an increase in unrestricted cash as a result of operations.

Capital assets, net decreased by \$318,269 due to capital asset disposals and normal depreciation exceeding capital asset additions.

Other noncurrent assets decreased by \$9,226 as a result of current collections partially offset by accrued interest receivable.

Current liabilities decreased by \$25,715 primarily due to a decrease in accounts payable to vendors.

Noncurrent liabilities increased by \$1,589,428 primarily due to the Authority receiving proceeds from the Louisiana Housing Corporation - Neighborhood Landlord Rental Program (CDBG-DR) loan of \$1,125,000 and HOME Investment Partnership loan of \$475,000.

Deferred inflows of resources of \$391,306 are due to the Authority recording GASB 87 ground lease changes. The deferred inflows of resources represent the Authority's initial lease receivable and corresponding lease revenue earned to date. There was no change in the number of deferred inflows of resources during the year.

TABLE 2 – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

The following schedule compares the revenue and expenses for the current and previous fiscal years for the primary government. The Authority is engaged in business-type activities. The discretely presented component unit is excluded.

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Operating Revenues				
Rental Income	\$ 3,344,268	\$ 2,816,023	\$ 528,245	18.76%
Federal Grants	21,747,644	21,003,626	744,018	3.54%
Other	3,354,196	2,702,750	651,446	24.10%
Total Operating Revenues	<u>28,446,108</u>	<u>26,522,399</u>	<u>1,923,709</u>	7.25%
Operating Expenses				
Administration	4,215,108	3,214,201	1,000,907	31.14%
Tenant Services	172,471	185,086	(12,615)	-6.82%
Utilities	115,708	91,058	24,650	27.07%
Maintenance	1,689,030	1,894,833	(205,803)	-10.86%
General	1,632,243	1,043,558	588,685	56.41%
Housing Assistance Payments	17,266,366	16,082,352	1,184,014	7.36%
Other Operating Expenses	24,776	242,323	(217,547)	-89.78%
Depreciation	863,517	778,042	85,475	10.99%
Total Operating Expenses	<u>25,979,219</u>	<u>23,531,453</u>	<u>2,447,766</u>	10.40%
Operating Income (loss)	<u>2,466,889</u>	<u>2,990,946</u>	<u>(524,057)</u>	-17.52%
Nonoperating revenues (expenses)				
Interest Revenue	446,900	223,944	222,956	99.56%
Gain on Sale of Capital Assets	12,340	-	12,340	100.00%
Capital Contributions	-	132,928	(132,928)	-100.00%
Total Nonoperating Activity	<u>459,240</u>	<u>356,872</u>	<u>102,368</u>	28.68%
Change in Net Position	2,926,129	3,347,818	(421,689)	-12.60%
Prior Period Adjustments	-	(252,130)	252,130	-100.00%
Beginning Net Position	<u>31,779,234</u>	<u>28,683,546</u>	<u>3,095,688</u>	10.79%
Ending Net Position	<u>\$ 34,705,363</u>	<u>\$ 31,779,234</u>	<u>\$ 2,926,129</u>	9.21%

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

The increase in net position of \$2,926,129 was due to total revenues exceeding total expenses, which was primarily a result of a significant increases in operating revenues and nonoperating activity in excess of the increase in operating expenses recognized this year.

The Authority had operating income of \$2,466,889 including non-cash depreciation expense of \$863,517 versus operating income of \$2,990,946 and depreciation expense of \$778,042 in the prior year.

Total operating revenues increased by \$1,923,709 to \$28,446,108 primarily due to increases in operating grant funding received from HUD, rental revenue recognized, and other revenue.

Total operating expenses increased by \$2,447,766 to \$25,979,219 due to increases in expenses across the board, except for decreases in tenant services, maintenance, and other operating expenses. These increases were a result of changes made to the Authority's staffing and structure, as well as an increase in the Housing Choice Voucher Program's Housing Assistance Payments expense, which coincided with the increase in Federal grant revenue.

Total nonoperating activity increased by \$102,368 to \$459,240 due to increases in the Authority's interest revenue and gain on the sale of capital assets. These increases were partially offset by a decrease in capital contributions.

CAPITAL ASSETS

As of September 30, 2023, investment in capital assets for the Authority was \$10,171,495 net of accumulated depreciation. Investment in capital assets includes land, buildings, equipment, and construction in progress.

Major capital asset additions during the year are as follows:

- Land at 161 Christian Street
- Building at 161 Christian Street
- Unit improvements
- Exterior painting
- Exterior lighting
- Parking lot upgrades
- Plumbing improvements
- Roofing
- Computers

Major capital asset disposals during the year are as follows:

- Outdated building improvements
- Dwelling equipment
- Office equipment
- Maintenance equipment
- Community equipment
- Computers
- Vehicles

OUTSTANDING DEBT

As of year-end, the Authority had \$1,885,304 in debt outstanding compared to \$380,404 last year, an increase of \$1,504,900. This debt consisted of Neighborhood Landlord Rental Program (CDBG-DR) and HOME Investment Partnership Program loans obtained during the fiscal year.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

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

Mr. Bobby Collins
Chief Executive Officer
Shreveport Housing Authority
2500 Line Avenue
Shreveport, LA 71104

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Shreveport

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Housing Authority of the City of Shreveport (the "Authority") and the aggregate discretely presented component unit, as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority and the aggregate discretely presented component unit, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements Shreveport BDB Housing Partners, LLC, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Shreveport BDB Housing Partners, LLC is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of Shreveport BDB Housing Partners, LLC were not audited in accordance with *Government Auditing Standards*.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 on pages 1-5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards 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 Authority's basic financial statements. The accompanying supplemental data, including the financial data schedule and the schedule of compensation, benefits and other payments to the Executive Director, are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented for the Office of the Louisiana Legislative Auditor's information and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule, the schedule of expenditures of federal awards, and the schedule of compensation, benefits and other payments to the Executive Director are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Henderson & Pilleteri, LLC

Birmingham, AL
March 26, 2024

**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***

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Shreveport

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 basic financial statements of the Housing Authority of the City of Shreveport (the "Authority") and the aggregate discretely presented component unit, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 26, 2024.

Our report includes a reference to other auditor who audited the financial statements of Shreveport BDB Housing Partners, LLC as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Shreveport BDB Housing Partners, LLC were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Henderson & Pilleteri, LLC

Birmingham, AL
March 26, 2024

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Shreveport

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Shreveport's (the "Authority") 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 Authority's major federal programs for the year ended September 30, 2023. The Authority'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, Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Authority 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 Authority'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 Authority'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 Authority'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Authority'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 Authority'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 Authority'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.

Henderson & Pilletevi, LLC

Birmingham, AL
March 26, 2024

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government	Discrete Component Unit
ASSETS		
Current assets:		
Unrestricted cash and cash equivalents	\$ 20,561,411	\$ 123,139
Restricted cash and cash equivalents	363,468	187,082
Due from HUD	554,650	-
Due from other government	30,786	-
Miscellaneous receivable	383,562	521,188
Tenants receivable, net	22,403	-
Notes, loans and mortgages receivable, current portion	57,396	-
Prepaid expenses and other assets	170,703	71,253
Total current assets	22,144,379	902,662
Noncurrent assets:		
Capital assets:		
Land and construction in progress	2,310,458	-
Building and equipment, net of depreciation	7,861,037	13,027,850
Total capital assets	10,171,495	13,027,850
Other noncurrent assets	-	241,800
Notes, loans and mortgages receivable, net of current portion	5,978,982	-
Total noncurrent assets	16,150,477	13,269,650
Total assets	\$ 38,294,856	\$ 14,172,312

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

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government	Discrete Component Unit
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 444,949	\$ 5,455
Accrued liabilities	107,345	751,349
Intergovernmental payables	25,890	-
Tenant security deposits	98,303	14,050
Unearned revenue	93,831	10,480
Notes payable, current portion	25,000	40,534
Amounts due to HUD, current portion	47,550	-
Compensated absences, current portion	125,398	-
Total current liabilities	968,266	821,868
Noncurrent liabilities:		
Notes payable, net of current portion	1,575,000	9,955,764
Amounts due to HUD, net of current portion	237,754	-
Compensated absences, net of current portion	219,630	-
Homeowners escrow liability	1,494	-
Noncurrent liabilities - other	-	1,541,096
FSS escrows	196,043	-
Total noncurrent liabilities	2,229,921	11,496,860
Total liabilities	3,198,187	12,318,728
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to ground lease receivable	391,306	-
NET POSITION		
Net investment in capital assets	8,571,495	3,175,552
Restricted	16,590	170,541
Unrestricted	26,117,278	(1,492,509)
Total net position	\$ 34,705,363	\$ 1,853,584

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

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED SEPTEMBER 30, 2023

	Primary Government	Discrete Component Unit
OPERATING REVENUES		
Rental income	\$ 3,344,268	\$ 956,103
Federal and other governmental grants	21,747,644	-
Other	3,354,196	3,765
Total operating revenues	28,446,108	959,868
OPERATING EXPENSES		
Administration	4,215,108	590,864
Tenant services	172,471	-
Utilities	115,708	107,061
Maintenance	1,689,030	172,013
General	1,657,019	164,351
Housing assistance payments	17,266,366	-
Depreciation and amortization	863,517	402,160
Total operating expenses	25,979,219	1,436,449
Operating income (loss)	2,466,889	(476,581)
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	446,900	357
Interest expense	-	(681,159)
Gain on disposal of capital assets	12,340	-
Income (loss) before special items	2,926,129	(1,157,383)
Special items, net gain	-	4,257,937
Change in net position	2,926,129	3,100,554
Total net position - beginning of the year	31,779,234	(1,246,970)
Total net position - end of the year	\$ 34,705,363	\$ 1,853,584

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

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2023

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from tenants	\$ 2,287,503
Federal and other governmental grants	21,449,465
Other receipts	3,420,847
Payments to suppliers	(20,114,377)
Payments to or on behalf of employees	(4,070,264)
	<u>2,973,174</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(532,908)
Proceeds from capital debt	1,600,000
	<u>1,067,092</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest revenue	446,900
Collection of note receivable	9,226
	<u>456,126</u>
Net cash provided (used) by operating activities	<u>2,973,174</u>
Net increase (decrease) in cash and cash equivalents	4,496,392
Balances - beginning of the year	16,428,487
Balances - end of the year	\$ 20,924,879
RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 2,466,889
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization expense	863,517
Change in assets and liabilities:	
Receivables, net	(417,110)
Prepays and other assets	94,721
Accounts payable	(83,267)
Intergovernmental payables	(9,143)
Unearned revenue	5,462
Other liabilities	(36,417)
Accrued liabilities	(7,084)
Compensated absences	86,107
Tenant security deposits	9,499
	<u>9,499</u>
Net cash provided (used) by operating activities	\$ 2,973,174

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

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority of the City of Shreveport (the “Authority”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has previously implemented GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management’s Discussion and Analysis (MD&A) section providing an analysis of the Authority’s overall financial position and results of operations.

The Authority is a special-purpose government engaged only in business-type activities and therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of –
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Fund Net Position
 - Statement of Cash Flows
- Notes to financial statements
- Required supplemental information other than MD&A

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the “enterprise fund” in the basic financial statements. Significant Authority policies are described below.

A. The Reporting Entity

The Authority was established as a tax-exempt quasi-governmental entity under the United States Housing Act of 1937 for the purpose of providing affordable housing to low and moderate income families in Caddo Parish, Louisiana. The governing body of the Authority is composed of a 4 member appointed Board of Commissioners (the “Board”). The Mayor of the City of Shreveport appoints the Board, who in turn hires the Executive Director. The Authority is governed by its charter and by-laws, state and local laws and federal regulations. The Board is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Authority’s management.

For financial reporting purposes, the financial reporting entity consists of (1) the primary government (the “Authority”), (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the primary government’s financial statements to be misleading or incomplete. The Authority is financially accountable if it appoints a voting majority of an organization’s governing body and (a) it is able to impose its will on the organization or, (b) there is potential for that organization to provide specific financial benefits to, or impose specific financial burdens on the Authority. The Authority may be financially accountable if an organization is fiscally dependent on the Authority. Based on these criteria, the following entity has been identified as a component unit of the Authority.

Nonprofit Blended Component Unit:

Shreveport Leased Housing Corporation

Shreveport Leased Housing Corporation was established in August 1974 as a non-profit organization pursuant to Louisiana Statutes. The Corporation has a Board of Directors to oversee its operations. Shreveport Leased Housing was created to assist, as a public charity, needy persons of low income by providing safe, sanitary, and affordable housing. Additional information concerning the Shreveport Leased Housing Corporation can be obtained by contacting the Authority.

Shreveport Leased Housing Corporation is the sole member of HACS BDB Housing, LLC, Renaissance at Allendale GP, LLC, and Cypress Landing, GP, LLC. As a result, the financials of these solely owned entities are included within Shreveport Leased Housing Corporation’s financials.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Authority’s Board is the governing body for Shreveport Leased Housing Corporation. Shreveport Leased Housing Corporation is an instrumentality of the Housing Authority and is fiscally dependent on the Housing Authority. As a result, Shreveport Leased Housing Corporation is presented as a blended component unit included in the balances of the primary government. For these financial statement footnote disclosures, the use of the term “Authority” is in reference to the primary government which is composed of the Housing Authority and Shreveport Leased Housing Corporation. All significant inter-program balances and transactions between Shreveport Leased Housing Corporation and the Authority have been eliminated. No separate financial statements are issued by Shreveport Leased Housing Corporation. However, condensed financial statements have been included in *Note 15 – Blended Component Unit* in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 39, 61 and 80.

Discretely Presented Component Unit:

Shreveport BDB Housing Partners, LLC

Shreveport BDB Housing Partners, LLC is a legally separate entity that was formed as a limited liability company (LLC) under the laws of the State of Louisiana on October 2, 2017, for the purpose of investing in real estate and the construction, and sale and/or leasing of the Company property. The project consists of a 100-unit apartment complex known as Barton Drive Manor Apartment Complex and a 32 unit apartment complex known as Briarwood Village Apartment Complex located in Shreveport, Louisiana.

Shreveport BDB Housing Partners, LLC consists of the managing member of HACS BDB Housing, LLC. The special member is ITEX BDB Housing, LLC. The investor member is AHP Housing Fund 163, LLC. The project qualifies for low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements.

The relationship between the Authority and this LLC is supportive in nature as the Authority and Shreveport BDB Housing Partners, LLC often carry out their stated purpose of providing decent, safe and affordable housing by supporting the operational goals and objectives of this Limited Partnership. As a result of all of the transactions and relationships between this entity and the Authority believes that this Limited Partnership should be included as discretely presented component unit in order to make the Authority’s financial reporting entity’s financial statements complete.

The LLC has a December 31st year-end. Their financial statements reported within the Authority’s September 30, 2023 financial statements are as of and for the fiscal year ended December 31, 2022. The LLC also issues separate financial statements, which are available by contacting the Housing Authority.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority’s financial statements are accounted for on the flow of economic resources management focus using the accrual basis of accounting. The accounting objectives are a determination of net income, financial position, and changes in cash flow.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a proprietary fund’s activities are included on the Statement of Net Position. Proprietary fund net position is segregated into Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. Revenues are recognized when they are earned and expenses are recognized when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are rental charges to tenants and operating subsidy grants from HUD. Operating expenses for proprietary funds include the cost of administrative expenses, maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Authority applies restricted resources to fund restricted costs and unrestricted resources to fund unrestricted costs. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements.

The Authority has previously adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In accordance with this statement, the Authority accounted for all grants that qualify as non-exchange transactions, recognizing receivables and revenues when all applicable eligibility requirements are met. In addition, capital contributions are recorded on the Statement of Revenues, Expenses, and Changes in Fund Net Position after income before contributions and before changes in net position.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component on net position.

C. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and money market accounts. For purposes of the statement of cash flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported on the balance sheet approximate fair values because of the short maturities of those investments.

D. Receivables

Receivables primarily include amounts from tenants for rental of housing units and amounts from HUD for operations and modernization. All receivables are current and due within one year. Tenant receivables are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible.

E. Restricted Assets and Liabilities

Debt covenants, HUD regulations, and inter-local agreements restrict the use of certain assets. Restricted assets are offset by related liabilities in accordance with their liquidity.

F. Inventories

Inventories are accounted for under the consumption method and recorded at the lower of cost or market, net of an allowance for obsolete inventories. Materials and supplies are recorded as inventories when purchased and as expenditures when used. Allowances are reported when materials and supplies are deemed obsolete.

G. Prepaid Items

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

H. Capital Assets

Capital assets include property, furniture, equipment, and machinery. Capital assets with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Construction in progress consists of capital improvements funded by modernization grant programs. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15-40
Improvements other than buildings	15-40
Furniture, equipment, and machinery	3-7

I. Compensated Absences

The Authority’s policy allows each employee to accumulate up to 300 paid time off hours and be paid for them upon separation. Time accumulated beyond these amounts is forfeited unless exception is granted by the Board. Sick leave hours accumulate, but the employee is not paid for them if not used by the retirement or termination date. The majority of employees utilize their annual accrual of paid time off during the year accrued. The Authority records compensated absences in the period they are earned. Leave accrued but not yet paid as of September 30, 2023, is shown as a liability allocated between current and noncurrent classifications.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Unearned Revenue

The Authority recognizes revenues as earned. An amount received in advance of the period in which it is earned is recorded as a liability under deferred revenue.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Recent Accounting Pronouncements

The Authority has adopted GASB Statement No. 94, which provides guidance to improve accounting and financial reporting for public-private and public-public partnership arrangements (commonly referred to as P3s) and availability payment arrangements (APAs). It has guidance for P3 arrangements, including those that are outside of the scope of the GASB's existing literature for those transactions, namely Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement No. 87, Leases. The adoption of GASB Statement No. 94 had no material effect on the Authority's September 30, 2023 financial statements.

The Authority has adopted GASB Statement No. 96, which provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, Leases. The adoption of GASB Statement No. 96 had no material effect on the Authority's September 30, 2023 financial statements.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

Cash and investments may be invested in the following HUD-approved vehicles:

- Direct obligations of the federal government backed by the full faith and credit of the United States;
- Obligations of government agencies;
- Securities of government sponsored agencies;
- Demand and savings deposits; and,
- Time deposits and repurchase agreements.

At September 30, 2023, the Authority's and Shreveport Leased Housing Corporation's ("SLHC") cash was in bank deposits or money market accounts. All of the Authority's federal funds were insured or collateralized with securities held by the Authority or by agents in the Authority's name. Neither the Authority nor SLHC had any investments as of fiscal year end September 30, 2023. A portion of SLHC's non-federal deposits in the amount of \$4,227,994 were not insured or collateralized at year-end. SLHC did not incur any loss of funds as a result of this excess of cash over insured or collateralized deposits. The Authority's and SLHC's cash balances at September 30, 2023 and December 31, 2022, respectively, totaled \$16,227,713 and \$4,697,166, respectively.

Interest Rate Risk – The Authority's formal investment policy does not specifically address the exposure to this risk.

Credit Risk – The Authority's formal investment policy does not specifically address credit risk. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

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

Concentration of Credit Risk – The Authority's investment policy does not restrict the amount that the Authority may invest in any one issuer.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – CAPITAL ASSETS

A. Changes in Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

	Primary Government				
	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Capital assets not being depreciated					
Land	\$ 2,150,544	\$ 90,000	\$ -	-	\$ 2,240,544
Construction in progress	2,134,643	239,857	-	(2,304,586)	69,914
Total capital assets not being depreciated	4,285,187	329,857	-	(2,304,586)	2,310,458
Capital assets being depreciated					
Buildings and improvements	33,888,209	227,568	(4,410)	2,304,586	36,415,953
Equipment	2,006,425	8,824	(406,100)	-	1,609,149
Total capital assets being depreciated	35,894,634	236,392	(410,510)	2,304,586	38,025,102
Less accumulated depreciation for:					
Infrastructure	-	-	-	-	-
Buildings and improvements	(27,979,646)	(808,080)	2,581	-	(28,785,145)
Equipment	(1,725,596)	(55,437)	402,113	-	(1,378,920)
Total accumulated depreciation	(29,705,242)	(863,517)	404,694	-	(30,164,065)
Capital assets, net	\$ 10,474,579	\$ (297,268)	\$ (5,816)	\$ -	\$ 10,171,495

B. Capital Contributions

The Authority receives capital grants from HUD. The Authority did not recognize any capital contributions for the fiscal year ended September 30, 2023.

NOTE 4 – NOTES, LOANS & MORTGAGES RECEIVABLE

Notes, loans, and mortgage receivable consist of the following at September 30, 2023:

Cypress Landing, LP entered into a loan with Cypress Landing GP, LLC (a included in the blended component unit of the Authority) in the amount of \$300,000 on December 31, 2000. The note bears interest at a rate of six percent compounded annually and has a maturity date of December 31, 2030. On the 30th day of November in each year during the term of the Note, the borrower shall pay to the lender 100% of the cash flow as defined by the partnership agreement. The loan is secured by all real and personal property. The loan is subordinate to the Senior Sponsor note with the Department of Housing and Urban Development and the above Promissory note. As of September 30, 2023, the loan balance is \$199,034 and accrued interest on the loan is \$6,400.

Renaissance at Allendale GP, LLC entered into a Promissory Note with the Housing Authority of the City of Shreveport in the amount of \$390,874 on March 31, 2016. The note bears interest at a rate of six percent compounded annually and has a maturity date of March 31, 2044. On the 31st day of March in each year, commencing March 31, 2016, the borrower shall pay to the lender 100% of the cash flow as defined by the partnership agreement. The loan is secured by all real and personal property. As of September 30, 2023, the loan balance is \$390,874 and accrued interest is \$286,996. The Authority has fully reserved the note balance and accrued interest.

Shreveport BDB Housing Partners, LLC entered into a Promissory Note with the Housing Authority of the City of Shreveport in the amount of \$4,656,000 on July 13, 2018. The note bears interest at a rate of 3.06 percent compounded annually and has a maturity date of July 13, 2058. Principal payments are payable from available cash flow, as defined in the Operating Agreement. The loan is secured by a vendor's lien and privilege and special mortgage as well as a Mortgage and Security Agreement. As of September 30, 2023, the loan balance is \$4,656,000 and accrued interest is \$797,229.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 – NOTES, LOANS & MORTGAGES RECEIVABLE (Continued)

The Authority advanced funds to Shreveport BDB Housing Partners, LLC on July 13, 2018, in the amount of \$600,000 to finance the acquisition and rehabilitation of the Project. The loan is secured by a Mortgage and Security Agreement. The loan does not bear interest and shall be due and payable upon the tax-exempt loan conversion. Principal payments are made from available cash flow, as defined in the Operating Agreement. As of September 30, 2023, the balance is \$600,000. The Authority has fully reserved the balance of this loan.

The Authority advanced funds on July 13, 2018, to Shreveport BDB Housing Partners, LLC in the amount of \$144,000 to prepay the ground lease of the Project. The Ground Lease Loan is secured by a vendor’s lien and privilege and special mortgage as well as a Mortgage and Security Agreement. The Ground Lease Loan does not bear interest and shall be due and payable on July 13, 2058. Principal payments are payable from available cash flow, as defined in the Operating Agreement. As of September 30, 2023, the balance is \$144,000.

On January 14, 2021, Habitat for Humanity transferred 24 home mortgages to the Authority. The monthly payments are collected by Southern Loan Servicing, Inc. The total monthly payments are \$5,351 with maturity dates from 2022 through 2039. The balance of the mortgages at September 30, 2023 was \$233,715, of which \$57,396 is due within a year.

NOTE 5 – DEFERRED GROUND LEASE

The Authority entered into a ground lease agreement on November 13, 2012, with Cypress Landing L.P., under which the Authority leased land to the Partnership for a term of 99 years and total rent of \$212,500. A rental payment for the full term of the lease in the amount of \$212,500 was paid at commencement. During fiscal year 2023, the Authority recognized rent revenue applicable to the lease of \$2,146 and has deferred recognition of \$188,889 of the rent as of September 30, 2023, which is reported as a deferred inflow of resources in the Statement of Net Position.

The Authority entered into a ground lease on February 21, 2014 with the Renaissance at Allendale, L.P. under which the Authority leased land to the Partnership for a term of 99 years and total rent of \$75,000. A rental payment for the full term of the lease in the amount of \$75,000 was paid at commencement. During fiscal year 2023, the Authority recognized rent revenue applicable to the lease of \$758 and has deferred recognition of \$68,497 of the rent as of September 30, 2023, which is reported as a deferred inflow of resources in the Statement of Net Position.

The Authority entered into a ground lease on July 1, 2018 with the Shreveport BDB Housing Partners, LLC. under which the Authority leased land to the Partnership for a term of 75 years and total rent of \$144,000. A rental payment for the full term of the lease in the amount of \$144,000 was paid at commencement. During fiscal year 2023, the Authority recognized rent revenue applicable to the lease of \$1,920 and has deferred recognition of \$133,920 of the rent as of September 30, 2023, which is reported as a deferred inflow of resources in the Statement of Net Position.

Upon the adoption of Governmental Accounting Standards Board Statement No. 87 – Leases, as of the beginning of the Authority’s fiscal year 2022, the Authority has deferred recognition of \$391,306 of the rent revenue applicable to the three land leases. The effect of the adoption of the Standard as of September 1, 2021, increased deferred inflows of resources by \$391,306 and reduced net position by \$252,130 and liabilities by \$139,176.

NOTE 6 – NONCURRENT LIABILITIES

Noncurrent liabilities at September 30, 2023 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 258,921	\$ 134,639	\$ 48,532	\$ 345,028	\$ 125,398
Notes payable	-	1,625,000	25,000	1,600,000	25,000
Amounts due to HUD	380,404	-	95,100	285,304	47,550
Homeowners escrow liability	1,494	-	-	1,494	-
FSS escrows	138,854	68,785	11,596	196,043	-
Total noncurrent liabilities	<u>\$ 779,673</u>	<u>\$ 1,828,424</u>	<u>\$ 180,228</u>	<u>\$ 2,427,869</u>	<u>\$ 197,948</u>

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – DEFINED CONTRIBUTION PENSION PLAN

The Authority provides pension benefits for its employees through a defined contribution plan, which is administered by the *Housing-Renewal and Local Agency Retirement Plan*. The plan was adopted by the Board of Commissioners. Only the Board has the authority to approve any amendments to the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one year of continuous and uninterrupted employment. The Authority contributes an amount equal to 11% of each employee’s base salary to the plan, less any life insurance payments paid on behalf of employees. As determined by the plan provisions, employees contribute 5% of their base salary to the plan. During the year ended September 30, 2023, the Authority’s vested contributions were \$107,276 and deferred contributions were \$171,642. Employee contributions were \$21,455.

NOTE 8 – NOTES PAYABLE

There are three separate loans with the Louisiana Housing Corporation for the construction of redevelopment properties at Wilkinson Flats and Fairfield Estates. There is a loan for 1140 Wilkinson Flats, 1156 Wilkinson Flats, and 1160 Wilkinson Flats. The face amount of each loan is \$375,000 (\$1,125,000 total). Each carries a 0% interest rate. The loans are essentially due when the construction is complete, and the units are leased up. These loans are secured by the mortgage on land and improvements of the property. The agreements for these loans were signed November 2, 2020, but proceeds from the loan were not disbursed until June 30, 2023. No portion of these loans are expected to be paid within the next fiscal year; therefore, the entire balance of the loans is classified as noncurrent on the face of the financial statements. Debt service requirements are as follows:

	Primary Government		
	Principal	Interest	Total
For the year ending 9/30/2024	-	-	-
For the year ending 9/30/2025	-	-	-
For the year ending 9/30/2026	-	-	-
For the year ending 9/30/2027	-	-	-
For the year ending 9/30/2028	-	-	-
Thereafter	1,125,000	-	1,125,000
	\$ 1,125,000	\$ -	\$ 1,125,000

A HOME Program Developer Agreement was made and entered into October 7, 2021, with funds being disbursed on December 31, 2022, by and between the City of Shreveport and Shreveport Leased Housing Corporation. This Forgivable Loan shall be used by Developer to assist in the new construction of 12 affordable rental units to be leased to residents earning 80% or less of AMI. Of the total units, three (3) of the units shall be HOME Assisted Floating Units for low-income families whose adjusted household income is not more than 60 percent of the AML One (1) of the three units shall be HOME-Assisted Floating Unit occupied by very low income families whose adjusted household income is not more than 50% of AMI and whose rent does not exceed thirty percent (30%) of their annual income, with adjustments for smaller or larger families. The Project Term for the fulfillment of all governing regulations associated with this project, and the Period of Affordability shall be twenty (20) years, commencing after the Project Completion Date. The HOME-Assisted Units in a rental housing project must be occupied only by households that are eligible as Low-Income Families and must meet the requirements set forth in 24 CFR Part 92.252 to qualify as affordable housing. The City agreed to provide a loan in the amount of \$500,000. The Forgivable Loan funds shall be paid to the Developer as reimbursement for eligible, allowable, and reasonable costs, and such costs must benefit the project. The loan shall be a Forgivable Loan for a term of twenty (20) years with a zero percent (0%) annual percentage rate of interest. Repayment of the Forgivable Loan shall be due upon receipt of an invoice on or about May 31, 2041, if Developer fails to meet the terms and conditions of this Agreement. The Forgivable Loan shall be secured by a subordinated mortgage on the real property that is the location of the project. The loan shall be forgiven at the rate of five (5) percent annually subject to Developer's meeting its obligations under the terms and conditions of this Agreement. \$25,000 is expected to be forgiven within the next fiscal year and is presented as the current portion. The outstanding principal balance at September 30, 2023 was \$475,000.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – NOTES PAYABLE (Continued)

Forgiveness is scheduled as follows:

Fiscal Year	Forgiveness
2024	\$ 25,000
2025	25,000
2026	25,000
2027	25,000
2028	25,000
2029-2041	<u>350,000</u>
	<u>\$ 475,000</u>

NOTE 9 – AMOUNTS DUE TO HUD

Fiscal year ended September 30, 2012, audit finding 12-04 identified questionable payments made by the Authority using Replacement Housing Factor grants 501.07 and 501.08. The funds were not expended to develop or acquire new public housing rental units as stated by the grant requirements, but instead, were used to modify existing public housing properties. Prior to the 2014 fiscal year, these amounts were identified as contingent liabilities, as the New Orleans HUD Office had not notified the Authority of a correction plan. On July 7, 2014, the Office of General Counsel decreed that the monies owed of \$713,254 must be repaid using any non-federal funds at the Authority’s disposal and/or Capital Fund Program funds. The \$713,254 will be repaid over 15 years with a zero percent interest rate. The Authority will utilize a portion of the Capital Fund Program funds for the next ten years, beginning on October 1, 2015, and will make an annual payment of \$47,550. As of September 30, 2023, the balance was \$285,304. Debt service requirements are as follows:

Fiscal Year	Repayment Amount
For the year ending 9/30/2024	47,550
For the year ending 9/30/2025	47,550
For the year ending 9/30/2026	47,550
For the year ending 9/30/2027	47,550
For the year ending 9/30/2028	47,550
For the year ending 9/30/2029-2030	<u>47,554</u>
	<u>\$ 285,304</u>

NOTE 10 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has mitigated this risk by obtaining insurance coverage from commercial insurance companies. Premiums paid for insurance coverage are recorded as expenses of the funds affected. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductibles and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. During the current year and the prior three years, settled claims have not exceeded coverage levels, and insurance coverage, by major categories of risk, is consistent with prior year.

NOTE 11 – CONCENTRATION OF RISK

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

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Grants

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

NOTE 13 – INTER-PROGRAM BALANCES

Inter-program balances at September 30, 2023 consisted of the following:

<u>Program</u>	<u>Interprogram Due From</u>	<u>Interprogram Due To</u>
Central Office Cost Center	\$ 87,782	\$ -
PIH Family Self-Sufficiency Program	-	22,981
YouthBuild Program	-	64,801
Total	<u>\$ 87,782</u>	<u>\$ 87,782</u>

These inter-program balances exist because in the normal course of operations, certain programs may pay for common costs or advance funds to meet the operational needs of other programs which create inter-program receivables or payables. The balances have been repaid in full subsequent to the balance sheet date. In addition, these inter-program balances have been eliminated in the preparation of the Authority's enterprise fund financial statements.

NOTE 14 – RESTRICTED NET POSITION

Restricted net position in the amount of \$2,516 relates to excess Housing Assistance Payments ("HAP") funds available to the Authority under the Emergency Housing Voucher Program. Restricted net position in the amount of \$14,074 relates to the Family Self Sufficiency (FSS) Program and the related cash restricted for FSS escrow forfeitures. Total restricted net position at September 30, 2023, was \$16,590.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 15 – BLENDED COMPONENT UNIT

Condensed combining information for the Authority’s blended component unit, Shreveport Leased Housing Corporation for the year ended September 30, 2023, is presented as follows:

CONDENSED STATEMENT OF NET POSITION
September 30, 2023

ASSETS	
Current assets	\$ 4,863,673
Capital assets, net of depreciation	7,935,241
Other noncurrent assets	<u>5,978,982</u>
 Total assets	 <u>18,777,896</u>
 LIABILITIES	
Current liabilities	209,630
Noncurrent liabilities	<u>1,623,961</u>
 Total liabilities	 <u>1,833,591</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to ground lease receivable	<u>391,306</u>
 NET POSITION	
Net investment in capital assets	6,335,241
Unrestricted	<u>10,217,758</u>
 Total net position	 <u>\$ 16,552,999</u>

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 15 – BLENDED COMPONENT UNITS (Continued)

CONDENSED STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
September 30, 2023

OPERATING REVENUES (EXPENSES)

Operating revenues	\$ 4,319,893
Operating expenses	(2,682,251)
Depreciation expense	<u>(765,120)</u>

Operating income (loss)	872,522
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NONOPERATING REVENUES (EXPENSES)

Nonoperating revenues	250,810
Nonoperating expenses	<u>-</u>

Change in net position	1,123,332
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Total net position - beginning of the year	<u>15,429,667</u>
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Total net position - end of the year	<u><u>\$ 16,552,999</u></u>
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CONDENSED STATEMENT OF CASH FLOWS
September 30, 2023

NET CASH PROVIDED (USED) BY:

Operating activities	\$ 1,491,107
Capital and related financing activities	1,131,513
Investing activities	<u>260,036</u>

Net increase (decrease) in cash and cash equivalents	2,882,656
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Cash balances - beginning of the year	<u>1,814,510</u>
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Cash balances - end of the year	<u><u>\$ 4,697,166</u></u>
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HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 16 – TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNIT

Shreveport BDB Housing Partners, LLC (the “Company”)

The Housing Authority of the City of Shreveport, Louisiana ("HACS"), sole member Shreveport Leased Housing Corporation, which is the sole member of HACS BDB Housing, LLC (the “Managing Member”), advanced funds to the Company in the amount of \$4,656,000 (the "Improvements Loan") to finance the acquisition of the Project. The Improvements Loan is secured by a vendor's lien and privilege and special mortgage as well as a Mortgage and Security Agreement. The loan bears interest at an annual rate of 3.06%, compounded annually, and is due and payable on July 13, 2058. Principal payments are payable from available cash flow, as defined in the Operating Agreement. As of September 30, 2023, interest of \$797,229 was accrued and principal of \$4,656,000 was outstanding.

HACS advanced funds to the Company in the amount of \$144,000 (the "Ground Lease Loan") to prepay the ground lease of the Project. The Ground Lease Loan is secured by a vendor's lien and privilege and special mortgage as well as a Mortgage and Security Agreement. The Ground Lease Loan does not bear interest and shall be due and payable on July 13, 2058. Principal payments are payable from available cash flow, as defined in the Operating Agreement. As of September 30, 2023, principal of \$144,000 was outstanding.

HACS advanced funds to the Company in the amount of \$600,000 (the “HACS Loan”) to finance the acquisition and rehabilitation of the Project. The HACS Loan is secured by a Mortgage and Security Agreement. The loan does not bear interest and shall be due and payable upon the tax-exempt loan conversion. Principal payments are payable from available cash flow, as defined in the Operating Agreement. As of September 30, 2023, principal of \$600,000 was outstanding.

Pursuant to the addendum to the property management agreement, HACS, the Company’s property manager, receives a monthly property management fee which may not exceed the lesser of 5% of effective gross income, as defined in the addendum to the property management agreement, or the amount approved by HUD. During 2022 and 2021, property management fees of \$46,923 and \$47,551, respectively, were incurred and paid.

Construction Guaranty:

The Managing Member and ITEX BDB Housing, LLC (the “Special Member”) unconditionally covenant, guarantee and warrant as follows:

The Managing Member and Special Member will cause Completion, as defined in the Operating Agreement, to occur by the earliest of September 30, 2019 or the date for Completion required in the project documents or the date required for the Company to qualify for the Tax Credits.

The Managing Member and Special Member will cause the Company to satisfy all rehabilitation related requirements in the tax exempt loan documents, the HOME loan documents, the Improvements Loan documents, and the Operating Agreement, including any requirement related to Completion of the Project.

As of September 30, 2023, there have been no defaults under this guaranty and no Excess Development Costs have been funded.

NOTE 17 – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through March 26, 2024 (the date the financial statements were available to be issued) and concluded that the following subsequent events have occurred that require recognition in the financial statements or disclosure in the notes to the financial statements.

In December of 2019, COVID-19 emerged and has subsequently spread throughout the world. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority’s operations. Future potential impacts may include disruptions or restrictions on our employees’ ability to work or the tenant’s ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

NOTE 18 – FINANCIAL DATA SCHEDULE

The Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes extraordinary (non-routine) maintenance, housing assistance payments, and depreciation expense from operating activities and includes investment revenue, interest expense (capital debt related), and capital grant revenue in operating activities, which differs from the presentation of the basic financial statements.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2023

<u>Federal Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Grant / Passthrough Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development Direct Program			
Public & Indian Housing	14.850	N/A	\$ 1,337,167
Public Housing Capital Fund Program	14.872	N/A	499,318
PIH Family Self Sufficiency	14.896	N/A	169,304
Housing Voucher Cluster			
House Choice Voucher	14.871	N/A	18,981,454
Mainstream Voucher	14.879	N/A	<u>293,447</u>
Total Housing Voucher Cluster			19,274,901
Emergency Housing Voucher	14.871	N/A	<u>208,397</u>
Total U.S. Department of Housing and Urban Development Direct Program			<u>21,489,087</u>
U.S. Department of Housing and Urban Development Pass-Through Program From:			
Community Development Block Grants/Entitlement Grants Cluster			
Louisiana Housing Corporation - Neighborhood Landlord Rental Program (CDBG-DR)	14.218	B-16-DL-22-0001	<u>1,125,000</u>
Total Community Development Block Grants/Entitlement Grants Cluster			1,125,000
City of Shreveport - HOME Investment Partnerships Program	14.239	2021-HOME-DEV-FLJ-001	<u>475,000</u>
Total U.S. Department of Housing and Urban Development Pass-Through Programs			<u>1,600,000</u>
Total U.S. Department of Housing and Urban Development			<u>23,089,087</u>
U.S. Department of Labor			
Youth Build Program	17.274	N/A	<u>376,110</u>
Total U.S. Department of Labor			<u>376,110</u>
Total Federal Awards Expended			<u>\$ 23,465,197</u>

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2023

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is *presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Neighborhood Landlord Rental Program Loan

The Neighborhood Landlord Rental Program loans were received indirectly by the Authority from the Louisiana Housing Corporation. The B-16-DL-22-0001 Loan balance at the end of the year of \$1,125,000 is included as federal expenditures presented in the Schedule as this was the first year that the loan funds were disbursed. Moving forward, the Schedule of Expenditures of Federal Awards will use the beginning loan balance in the Schedule.

Note 4 – HOME Investment Partnerships Program Loan

The HOME Investment Partnerships Program Loan was received indirectly by the Authority from the City of Shreveport, Louisiana. The 2021-HOME-DEV-FLJ-001 loan balance at the end of the year of \$475,000 is included as federal expenditures presented in the Schedule as this was the first year that the loan funds were disbursed. Moving forward, the Schedule of Expenditures of Federal Awards will use the beginning loan balance in the Schedule.

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED SEPTEMBER 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? Yes x No

Are any significant deficiencies identified? Yes x None Reported

Is any noncompliance material to financial statements noted? Yes x No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified? Yes x No

Are any significant deficiencies identified? Yes x None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes x No

Identification of major federal programs or clusters:

Housing Voucher Cluster

Community Development Block Grants/Entitlement Grants Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? x Yes No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings

None

To the Board of Commissioners
Housing Authority of the City of Shreveport

Independent Accountant's Report

We have performed the procedures enumerated below, which was agreed to by the Housing Authority of the City of Shreveport ("the Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package for the year ended September 30, 2023. The Authority's management is responsible for accuracy and completeness of the electronic submission for the year ended September 30, 2023.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package. 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 the associated findings are as follows:

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

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and, if applicable, the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States, and/or any other standards or requirements to be followed. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below for the year ended September 30, 2023. 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Balance Sheet and Revenue and Expense	Financial Data Schedule, all CFDA's, If applicable	X	
2	Footnotes	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS	Auditor's supplemental report on FDS	X	
4	Audit findings narrative	Schedule of Findings and Questioned Costs	X	
5	General Information	OMB Data Collection Form	X	
6	Financial Statement report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
7	Federal program report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
8	Type of Compliance Requirement	OMB Data Collection Form	X	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Henderson & Pilleteri, LLC

Birmingham, AL
March 26, 2024

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
FINANCIAL DATA SCHEDULE – BALANCE SHEET
SEPTEMBER 30, 2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	17.274 YouthBuild Program	14.EH/ Emergency Housing Voucher	14.239 HOME Investment Partnerships Program	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$11,132,374		\$123,139	\$4,638,407			\$15,801	\$3,414	\$1,884,224		\$8,757			\$2,878,434	\$20,684,550		\$20,684,550
112 Cash - Restricted - Modernization and Development																	
113 Cash - Other Restricted	\$50	\$14,074	\$170,541	\$8,307					\$187,921		\$54,813				\$435,706		\$435,706
114 Cash - Tenant Security Deposits	\$45,611		\$16,541	\$50,452			\$2,240								\$114,844		\$114,844
115 Cash - Restricted for Payment of Current Liabilities																	
100 Total Cash	\$11,178,035	\$14,074	\$310,221	\$4,697,166	\$0	\$0	\$18,041	\$3,414	\$2,072,145	\$0	\$63,570	\$0	\$0	\$2,878,434	\$21,235,100	\$0	\$21,235,100
121 Accounts Receivable - PHA Projects																	
122 Accounts Receivable - HUD Other Projects	\$85,373				\$24,837		\$0	\$13,713	\$346,392	\$84,335					\$554,650		\$554,650
124 Accounts Receivable - Other Government									\$30,786						\$30,786		\$30,786
125 Accounts Receivable - Miscellaneous	\$1,725		\$521,188	\$150			\$8,261		\$153,687		\$1,059			\$245,678	\$931,748		\$931,748
126 Accounts Receivable - Tenants	\$3,098			\$20,106					\$1,100						\$24,304		\$24,304
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,046			-\$855					\$0						-\$1,901		-\$1,901
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0		\$0	\$0	-\$26,998	\$0	\$0		\$0		-\$26,998		-\$26,998
127 Notes, Loans, & Mortgages Receivable - Current				\$57,396											\$57,396		\$57,396
128 Fraud Recovery																	
128.1 Allowance for Doubtful Accounts - Fraud																	
129 Accrued Interest Receivable																	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$89,150	\$0	\$521,188	\$76,797	\$24,837	\$0	\$8,261	\$13,713	\$504,967	\$84,335	\$1,059	\$0	\$0	\$245,678	\$1,569,985	\$0	\$1,569,985
131 Investments - Unrestricted																	
132 Investments - Restricted																	
135 Investments - Restricted for Payment of Current Liability																	
142 Prepaid Expenses and Other Assets	\$19,919		\$71,253	\$89,710					\$15,358					\$45,716	\$241,956		\$241,956
143 Inventories																	
143.1 Allowance for Obsolete Inventories																	
144 Inter Program Due From	\$0	\$0				\$0		\$0						\$87,782	\$87,782	-\$87,782	\$0
145 Assets Held for Sale																	
150 Total Current Assets	\$11,287,104	\$14,074	\$902,662	\$4,863,673	\$24,837	\$0	\$26,302	\$17,127	\$2,592,470	\$84,335	\$64,629	\$0	\$0	\$3,257,610	\$23,134,823	-\$87,782	\$23,047,041
161 Land	\$763,469			\$1,474,042			\$3,033								\$2,240,544		\$2,240,544
162 Buildings	\$7,538,105		\$14,100,033	\$26,945,007										\$1,013,689	\$49,596,834		\$49,596,834
163 Furniture, Equipment & Machinery - Dwellings	\$86,422		\$368,339	\$211,531											\$666,292		\$666,292
164 Furniture, Equipment & Machinery - Administration	\$138,723			\$330,452			\$4,770		\$291,103					\$546,148	\$1,311,196		\$1,311,196
165 Leasehold Improvements	\$142,523			\$657,058										\$119,571	\$919,152		\$919,152
166 Accumulated Depreciation	-\$7,060,469		-\$1,440,522	-\$21,691,558			-\$4,770		-\$271,204					-\$1,136,064	-\$31,604,587		-\$31,604,587
167 Construction in Progress	\$61,205			\$8,709											\$69,914		\$69,914
168 Infrastructure																	
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,669,978	\$0	\$13,027,850	\$7,935,241	\$0	\$0	\$3,033	\$0	\$19,899	\$0	\$0	\$0	\$0	\$543,344	\$23,199,345	\$0	\$23,199,345
171 Notes, Loans and Mortgages Receivable - Non-Current				\$5,978,982											\$5,978,982		\$5,978,982
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				\$0											\$0		\$0
173 Grants Receivable - Non Current																	
174 Other Assets			\$241,800												\$241,800		\$241,800
176 Investments in Joint Ventures																	
180 Total Non-Current Assets	\$1,669,978	\$0	\$13,269,650	\$13,914,223	\$0	\$0	\$3,033	\$0	\$19,899	\$0	\$0	\$0	\$0	\$543,344	\$29,420,127	\$0	\$29,420,127

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
FINANCIAL DATA SCHEDULE – BALANCE SHEET
SEPTEMBER 30, 2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.886 PH Family Self-Sufficiency Program	14.886 Revitalization of Severely Distressed Public Housing	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	17.274 YouthBuild Program	14.EH/ Emergency Housing Voucher	14.238 HOME Investment Partnerships Program	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
200 Deferred Outflow of Resources																	
290 Total Assets and Deferred Outflow of Resources	\$12,957,082	\$14,074	\$14,172,312	\$18,777,896	\$24,837	\$0	\$29,335	\$17,127	\$2,612,369	\$84,335	\$64,629	\$0	\$0	\$3,800,954	\$52,554,950	-\$87,782	\$52,467,168
311 Bank Overdraft																	
312 Accounts Payable <= 90 Days	\$95,180		\$5,455	\$110,511					\$57,484	\$11,376				\$170,398	\$450,404		\$450,404
313 Accounts Payable >90 Days Past Due																	
321 Accrued Wage/Payroll Taxes Payable														\$98,698	\$98,698		\$98,698
322 Accrued Compensated Absences - Current Portion	\$9,261			\$22,027	\$1,856				\$7,853	\$2,937				\$81,464	\$125,398		\$125,398
324 Accrued Contingency Liability																	
325 Accrued Interest Payable			\$723,629												\$723,629		\$723,629
331 Accounts Payable - HUD PHA Programs														\$0	\$0		\$0
332 Account Payable - PHA Projects																	
333 Accounts Payable - Other Government	\$25,890														\$25,890		\$25,890
341 Tenant Security Deposits	\$45,811		\$14,050	\$50,452			\$2,240								\$112,353		\$112,353
342 Unearned Revenue	\$192		\$10,480	\$1,640					\$39,702		\$52,297				\$104,311		\$104,311
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$40,534	\$25,000											\$65,534		\$65,534
344 Current Portion of Long-term Debt - Operating Borrowings																	
345 Other Current Liabilities																	
346 Accrued Liabilities - Other			\$27,720					\$8,647							\$36,367		\$36,367
347 Inter Program - Due To					\$22,981					\$64,801					\$87,782	-\$87,782	\$0
348 Loan Liability - Current														\$47,550	\$47,550		\$47,550
310 Total Current Liabilities	\$176,134	\$0	\$821,868	\$209,630	\$24,837	\$0	\$2,240	\$8,647	\$105,039	\$79,114	\$52,297	\$0	\$0	\$398,110	\$1,877,916	-\$87,782	\$1,790,134
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$9,811,764	\$1,575,000											\$11,386,764		\$11,386,764
352 Long-term Debt, Net of Current - Operating Borrowings																	
353 Non-current Liabilities - Other	\$55		\$1,541,096	\$9,801					\$187,681						\$1,738,633		\$1,738,633
354 Accrued Compensated Absences - Non Current	\$16,464			\$39,160					\$13,960	\$5,221				\$144,825	\$219,630		\$219,630
355 Loan Liability - Non Current			\$144,000	\$0										\$237,754	\$381,754		\$381,754
356 FASB 5 Liabilities																	
357 Accrued Pension and OPEB Liabilities																	
350 Total Non-Current Liabilities	\$16,519	\$0	\$11,496,860	\$1,623,961	\$0	\$0	\$0	\$0	\$201,641	\$5,221	\$0	\$0	\$0	\$382,579	\$13,726,781	\$0	\$13,726,781
300 Total Liabilities	\$192,653	\$0	\$12,318,728	\$1,833,591	\$24,837	\$0	\$2,240	\$8,647	\$306,680	\$84,335	\$52,297	\$0	\$0	\$780,689	\$15,604,697	-\$87,782	\$15,516,915
400 Deferred Inflow of Resources				\$391,306											\$391,306		\$391,306
508.4 Net Investment in Capital Assets	\$1,669,978		\$3,175,552	\$6,335,241			\$3,033		\$19,899					\$543,344	\$11,747,047		\$11,747,047
511.4 Restricted Net Position		\$14,074	\$170,541						\$0		\$2,516				\$187,131		\$187,131
512.4 Unrestricted Net Position	\$11,094,451	\$0	-\$1,492,509	\$10,217,758	\$0	\$0	\$24,062	\$8,480	\$2,285,790	\$0	\$9,816	\$0	\$0	\$2,476,921	\$24,624,769		\$24,624,769
513 Total Equity - Net Assets / Position	\$12,764,429	\$14,074	\$1,853,584	\$16,552,999	\$0	\$0	\$27,095	\$8,480	\$2,305,689	\$0	\$12,332	\$0	\$0	\$3,020,265	\$36,558,947	\$0	\$36,558,947
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$12,957,082	\$14,074	\$14,172,312	\$18,777,896	\$24,837	\$0	\$29,335	\$17,127	\$2,612,369	\$84,335	\$64,629	\$0	\$0	\$3,800,954	\$52,554,950	-\$87,782	\$52,467,168

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
FINANCIAL DATA SCHEDULE – INCOME STATEMENT
YEAR ENDED SEPTEMBER 30, 2023**

	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	17.274 YouthBuild Program	14.EHV Emergency Housing Voucher	14.239 HOME Investment Partnerships Program	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$146,355		\$956,103	\$3,062,373											\$4,164,831		\$4,164,831
70400 Tenant Revenue - Other	\$27,994			\$107,546											\$135,540		\$135,540
70500 Total Tenant Revenue	\$174,349	\$0	\$956,103	\$3,169,919	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,300,371	\$0	\$4,300,371
70600 HUD PHA Operating Grants	\$1,836,485				\$169,304			\$293,447	\$18,863,901		\$208,397				\$21,371,534		\$21,371,534
70610 Capital Grants																	
70710 Management Fee														\$759,247	\$759,247	(\$759,247)	\$0
70720 Asset Management Fee														\$48,280	\$48,280	(\$48,280)	\$0
70730 Book Keeping Fee														\$253,259	\$253,259	(\$253,259)	\$0
70740 Front Line Service Fee																	
70750 Other Fees																	
70700 Total Fee Revenue														\$1,060,786	\$1,060,786	(\$1,060,786)	\$0
70800 Other Government Grants										\$376,110					\$376,110		\$376,110
71100 Investment Income - Unrestricted	\$131,295		\$357	\$37,557			\$280	\$684	\$26,406		\$1,095			\$36,324	\$233,998		\$233,998
71200 Mortgage Interest Income				\$213,253											\$213,253		\$213,253
71300 Proceeds from Disposition of Assets Held for Sale																	
71310 Cost of Sale of Assets																	
71400 Fraud Recovery	\$43								\$250						\$293		\$293
71500 Other Revenue	\$54,876	\$11,596	\$3,765	\$1,149,974					\$111,000					\$2,026,457	\$3,357,668		\$3,357,668
71600 Gain or Loss on Sale of Capital Assets	\$7,920													\$4,420	\$12,340		\$12,340
72000 Investment Income - Restricted		\$6							\$0						\$6		\$6
70000 Total Revenue	\$2,204,968	\$11,602	\$960,225	\$4,570,703	\$169,304	\$0	\$280	\$294,131	\$19,001,557	\$376,110	\$209,492	\$0	\$0	\$3,127,987	\$30,926,359	(\$1,060,786)	\$29,865,573
91100 Administrative Salaries	\$107,006		\$155,364	\$289,029				\$9,381	\$446,579	\$124,922	\$5,746			\$1,334,017	\$2,472,044		\$2,472,044
91200 Auditing Fees	\$5,651			\$16,861				\$301	\$15,264		\$184			\$6,750	\$45,011		\$45,011
91300 Management Fee	\$224,764		\$46,923	\$183,195				\$6,612	\$340,512		\$4,164				\$806,170	(\$759,247)	\$46,923
91310 Book-keeping Fee	\$8,745		\$4,132	\$24,960				\$4,132	\$212,820		\$2,602				\$253,259	(\$253,259)	\$0
91400 Advertising and Marketing	\$61		\$2,167	\$720				\$6	\$298	\$8,632	\$4				\$11,888		\$11,888
91500 Employee Benefit contributions - Administrative	\$30,644			\$61,777				\$2,423	\$113,604	\$50,352	\$1,484			\$424,762	\$685,046		\$685,046
91600 Office Expenses	\$19,594			\$4,001				\$1,323	\$67,022	\$39,421	\$810			\$34,685	\$166,856		\$166,856
91700 Legal Expense	\$23		\$268,598	\$58,270				\$9	\$436		\$5			\$68	\$327,409		\$327,409
91800 Travel	\$40			\$121				\$8	\$411	\$130	\$5			\$17,089	\$17,804		\$17,804
91810 Allocated Overhead																	
91900 Other	\$268,705		\$117,812	\$155,571				\$4,450	\$251,729	\$15,615	\$2,726			\$216,383	\$1,032,991		\$1,032,991
91000 Total Operating - Administrative	\$665,233	\$0	\$590,864	\$794,505	\$0	\$0	\$0	\$28,645	\$1,448,675	\$239,072	\$17,730	\$0	\$0	\$2,033,754	\$5,818,478	(\$1,012,506)	\$4,805,972
92000 Asset Management Fee	\$12,000			\$36,280											\$48,280	(\$48,280)	\$0
92100 Tenant Services - Salaries				\$154	\$116,935				\$1,981		\$24				\$119,094		\$119,094
92200 Relocation Costs																	
92300 Employee Benefit Contributions - Tenant Services				\$68	\$52,369			\$17	\$873		\$11				\$53,338		\$53,338
92400 Tenant Services - Other								\$39							\$39		\$39
92500 Total Tenant Services	\$0	\$0	\$0	\$222	\$169,304	\$0	\$0	\$56	\$2,854	\$0	\$35	\$0	\$0	\$0	\$172,471	\$0	\$172,471
93100 Water	\$1,737			\$7,786						\$56				\$536	\$10,115		\$10,115
93200 Electricity	\$17,616			\$18,154						\$3,227				\$37,488	\$76,485		\$76,485
93300 Gas	\$5,093			\$5,084						\$34				\$8,300	\$18,511		\$18,511

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
FINANCIAL DATA SCHEDULE – INCOME STATEMENT
YEAR ENDED SEPTEMBER 30, 2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	17.274 YouthBuild Program	14.EHV Emergency Housing Voucher	14.239 HOME Investment Partnerships Program	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
93400 Fuel																	
93500 Labor																	
93600 Sewer	\$1,429			\$8,429						\$30				\$685	\$10,573		\$10,573
93700 Employee Benefit Contributions - Utilities																	
93800 Other Utilities Expense	\$24		\$107,061												\$107,085		\$107,085
93000 Total Utilities	\$25,899	\$0	\$107,061	\$39,453	\$0	\$0	\$0	\$0	\$0	\$3,347	\$0	\$0	\$0	\$47,009	\$222,769	\$0	\$222,769
94100 Ordinary Maintenance and Operations - Labor	\$100,208			\$187,472						\$1,892				\$310,408	\$599,980		\$599,980
94200 Ordinary Maintenance and Operations - Materials and Other	\$48,343			\$158,446				\$63	\$3,214		\$39			\$7,977	\$218,082		\$218,082
94300 Ordinary Maintenance and Operations Contracts	\$203,437		\$172,013	\$371,986						\$5,439				\$53,038	\$805,913		\$805,913
94500 Employee Benefit Contributions - Ordinary Maintenance	\$29,648			\$55,997										\$151,423	\$237,068		\$237,068
94000 Total Maintenance	\$381,636	\$0	\$172,013	\$773,901	\$0	\$0	\$0	\$63	\$3,214	\$7,331	\$39	\$0	\$0	\$522,846	\$1,861,043	\$0	\$1,861,043
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$19,880			\$110,699										\$17,711	\$148,290		\$148,290
96120 Liability Insurance	\$3,824			\$21,295				\$131	\$6,658	\$1,577	\$80			\$6,794	\$40,359		\$40,359
96130 Workmen's Compensation	\$4,247			\$10,545				\$237	\$11,276		\$145			\$16,267	\$42,717		\$42,717
96140 All Other Insurance	\$11,511		\$153,287	\$51,864				\$288	\$14,597		\$176			\$21,633	\$253,356		\$253,356
96100 Total Insurance Premiums	\$39,462	\$0	\$153,287	\$194,403	\$0	\$0	\$0	\$656	\$32,531	\$1,577	\$401	\$0	\$0	\$62,405	\$484,722	\$0	\$484,722
96200 Other General Expenses	\$17,115		\$11,064	\$59,094						\$118,694				\$8,954	\$214,921		\$214,921
96210 Compensated Absences	\$11,422			\$34,089				\$611	\$29,232	\$6,089	\$374			\$52,822	\$134,639		\$134,639
96300 Payments in Lieu of Taxes	\$18,243														\$18,243		\$18,243
96400 Bad debt - Tenant Rents	\$17,042			\$50,831											\$67,873		\$67,873
96500 Bad debt - Mortgages																	
96600 Bad debt - Other				\$674,697					\$201,499						\$876,196		\$876,196
96800 Severance Expense																	
96000 Total Other General Expenses	\$63,822	\$0	\$11,064	\$818,711	\$0	\$0	\$0	\$611	\$230,731	\$124,783	\$374	\$0	\$0	\$61,776	\$1,311,872	\$0	\$1,311,872
96710 Interest of Mortgage (or Bonds) Payable																	
96720 Interest on Notes Payable (Short and Long Term)			\$681,159												\$681,159		\$681,159
96730 Amortization of Bond Issue Costs																	
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$681,159	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$681,159	\$0	\$681,159
96900 Total Operating Expenses	\$1,188,052	\$0	\$1,715,448	\$2,657,475	\$169,304	\$0	\$0	\$30,031	\$1,718,005	\$376,110	\$18,579	\$0	\$0	\$2,727,790	\$10,600,794	(\$1,060,786)	\$9,540,008
97000 Excess of Operating Revenue over Operating Expenses	\$1,016,916	\$11,602	(\$755,223)	\$1,913,228	\$0	\$0	\$280	\$264,100	\$17,283,552	\$0	\$190,913	\$0	\$0	\$400,197	\$20,325,565	\$0	\$20,325,565
97100 Extraordinary Maintenance																	
97200 Casualty Losses - Non-capitalized				\$24,776											\$24,776		\$24,776
97300 Housing Assistance Payments								\$258,987	\$16,710,096		\$179,730				\$17,148,813		\$17,148,813
97350 HAP Portability-In									\$117,533						\$117,533		\$117,533

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
FINANCIAL DATA SCHEDULE – INCOME STATEMENT
YEAR ENDED SEPTEMBER 30, 2023**

	Project Total	14.EFA FSS Escrow Forfeiture Account	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	17.274 YouthBuild Program	14.EHV Emergency Housing Voucher	14.239 HOME Investment Partnerships Program	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
97400 Depreciation Expense	\$22,417		\$402,160	\$765,120					\$4,045					\$71,935	\$1,265,677		\$1,265,677
97500 Fraud Losses																	
97600 Capital Outlays - Governmental Funds																	
97700 Debt Principal Payment - Governmental Funds																	
97800 Dwelling Units Rent Expense																	
90000 Total Expenses	\$1,210,469	\$0	\$2,117,608	\$3,447,371	\$169,304	\$0	\$0	\$289,018	\$18,549,699	\$376,110	\$198,309	\$0	\$0	\$2,799,725	\$29,157,613	(\$1,060,786)	\$28,096,827
10010 Operating Transfer In	\$5,000														\$5,000	(\$5,000)	\$0
10020 Operating transfer Out	(\$5,000)														(\$5,000)	\$5,000	\$0
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)			\$4,257,937												\$4,257,937		\$4,257,937
10091 Inter Project Excess Cash Transfer In																	
10092 Inter Project Excess Cash Transfer Out																	
10093 Transfers between Program and Project - In						\$4,981								\$95,100	\$100,081	(\$100,081)	\$0
10094 Transfers between Project and Program - Out	(\$100,081)														(\$100,081)	\$100,081	\$0
10100 Total Other financing Sources (Uses)	(\$100,081)	\$0	\$4,257,937	\$0	\$0	\$4,981	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$95,100	\$4,257,937	\$0	\$4,257,937
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$894,418	\$11,602	\$3,100,554	\$1,123,332	\$0	\$4,981	\$280	\$5,113	\$451,858	\$0	\$11,183	\$0	\$0	\$423,362	\$6,026,683	\$0	\$6,026,683
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$95,100	\$95,100		\$95,100
11030 Beginning Equity	\$11,870,011	\$2,472	(\$1,246,970)	\$15,429,667	\$0	(\$4,981)	\$26,815	\$3,367	\$1,853,831	\$0	\$1,149	\$0	\$0	\$2,596,903	\$30,532,264		\$30,532,264
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			\$0						\$0						\$0		\$0
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									\$2,305,689						\$2,305,689		\$2,305,689
11180 Housing Assistance Payments Equity									\$0						\$0		\$0
11190 Unit Months Available	1,320		3,576	3,636				780	45,503		528				55,343		55,343
11210 Number of Unit Months Leased	1,281		3,469	3,340				550	28,389		347				37,376		37,376
11270 Excess Cash	\$11,026,685														\$11,026,685		\$11,026,685
11610 Land Purchases	\$0													\$0	\$0		\$0
11620 Building Purchases	\$57,576													\$23,232	\$80,808		\$80,808
11630 Furniture & Equipment - Dwelling Purchases	\$0													\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0													\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0													\$8,192	\$8,192		\$8,192
11660 Infrastructure Purchases	\$0													\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0													\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0													\$0	\$0		\$0

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE EXECUTIVE DIRECTOR
YEAR ENDED SEPTEMBER 30, 2023

Expenditure Purpose:

Salary	\$ 315,076
Bonuses	27,490
Benefits - Insurance	18,864
Benefits - Retirement	25,669
Car Allowance	6,000
Per Diem	785
Registration Fees	<u>995</u>
Total Compensation, Benefits, and Other Payments	<u>\$ 394,879</u>

Agency Head: Mr. Bobby Collins, Chief Executive Officer

Basis of Presentation:

The above Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of the *Louisiana Revised Statute (R.S.) 24:513A.(3)*, as amended by *Act 706* of the *2014 Legislative Session*.

Independent Accountant's Report on Applying Agreed-Upon Procedures for the Year Ended September 30, 2023

To the Board of Commissioners of the Housing Authority of the City of Shreveport and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022 through September 30, 2023. The Housing Authority of the City of Shreveport's management is responsible for those C/C areas identified in the SAUPs.

The Housing Authority of the City of Shreveport has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2022 through September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures – No exceptions noted in this area.*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee – No exceptions noted in this area.

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board’s enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board’s enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity’s collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management’s corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations – No exceptions noted in this area.

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management’s representation that the listing is complete. Ask management to identify the entity’s main operating account. Select the entity’s main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4) Collections (excluding electronic funds transfers) – No exceptions noted in this area.

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management’s representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management’s representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases) – No exceptions noted in this area.

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards) – No exceptions noted in this area.

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

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

7) *Travel and Travel-Related Expense Reimbursements (excluding card transactions) – No exceptions noted in this area.*

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) *Contracts – No exceptions noted in this area.*

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) *Payroll and Personnel – No exceptions noted in this area.*

- A. Obtain a listing of employees and officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management’s representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management’s termination payment calculations and the entity’s policy on termination payments. Agree the hours to the employee’s or official’s cumulative leave records, agree the pay rates to the employee’s or official’s authorized pay rates in the employee’s or official’s personnel files, and agree the termination payment to entity policy.

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

10) Ethics– No exceptions noted in this area.

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service– No exceptions noted in this area.

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

12) Fraud Notice– No exceptions noted in this area.

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/Business Continuity – No exceptions noted in this area.

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- 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.

14) Prevention of Sexual Harassment– Exception noted with procedure “A” below. The Authority was unable to provide documentation of sexual harassment training for four of the employees that were randomly selected.

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

We were engaged by the Housing Authority of the City of Shreveport 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 City of Shreveport 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.

Henderson & Pilleteri, LLC

Birmingham, AL
March 26, 2024

HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED UPON PROCEDURES
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2023

14) Prevention of Sexual Harassment - The Authority was unable to provide documentation of sexual harassment training for four of the employees that were randomly selected.

Management acknowledges the exception. Employees attended the sexual harassment training but failed to sign the attendance sheet. Management will follow the Auditor's recommendations to ensure that each employee in attendance signs an attendance sheet or provides sufficient evidence of attendance.

Person Responsible for Correction of Exception:

Mr. Bobby Collins, Chief Executive Officer

Projected Completion Date: March 31, 2024