



City of New Braunfels Housing Authority

Date: April 18, 2022
To: All Contractors
From: Isabel Lee
RE: Addendum 1 to RFP Independent Audit Services

- 1. A copy of the most recent Communication with Those Charged with Governance letter for the financial audit (FYE September 30, 2020). Please refer to HUD regulation per RFP**
- 2. A copy of management letter for FYE September 30, 2020, audit, if any. Please see attached.**
- 3. How many adjusting journal entries did the external auditors for the fiscal year ending September 30, 2020, propose for the financial audit? None**
- 4. Does the Authority anticipate any growth or funding issues that would impact the scope of the financial audit in fiscal year ending September 30, 2021, as compared to fiscal year September 30, 2020? Funding dependent on HUD budget**
- 5. What have the audit fees been for each of the last two years for the financial audit? 2019 \$9,825
2020 10,030.**
- 6. What are the budgeted fees FYE September 30, 2021, financial audit? Fees comparable to previous audits.**
- 7. A copy of the preliminary Schedule of Expenditure of Federal grants for FYEs September 30, 2021, and September 30, 2022? Please see attached.**
- 8. Did the Authority received any state grants in FYEs September 30, 2021 and 2022, that would require a state single audit? No**
- 9. Does your financial/accounting staff prepare the annual financial statements and related disclosures? Accountant submits Preparer Financial Statement with no disclosure.**
- 10. Has there been any turnover in top management or the accounting department since the latest audit? No**

**Review of Audit Report,
And Authorization for Release**

1. I (we) reviewed the audit report for the period ended September 30, 2020, and approve, and authorize release thereof.

Executive Director
New Braunfels Housing Authority

Date: _____

MANAGEMENT REPRESENTATION LETTER

Housing Authority of the City of New Braunfels
For the twelve months ended SEPTEMBER 30, 2020

John A. Blakeway, C.P.A.
P. O. Box 570
Kennedale, TX 76060

This representation letter is provided in connection with your audit of the financial statements of the Housing Authority of the City of New Braunfels, which comprise the respective financial position of the business-type activities, and the aggregate discretely presented component units, if any, as of SEPTEMBER 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion(s) as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, that as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements, that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter, if any.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Housing Authority of the City of New Braunfels is contingently liable, if any, have been properly recorded or disclosed.
11. Joint ventures and other related organizations, if any, have been properly disclosed in the financial statements.

MANAGEMENT REPRESENTATION LETTER
Housing Authority of the City of New Braunfels
For the twelve months ended SEPTEMBER 30, 2020

Information Provided

12. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters (and all audit or relevant monitoring reports, if any, received from funding sources).
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Housing Authority of the City of New Braunfels or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control,
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
17. We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
18. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
19. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, if any.

Government – specific

20. We have made available to you all financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
21. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
22. We have taken timely and appropriate steps to remedy fraud, violations of laws, regulations, contracts, or grant agreements, or abuse that you have reported to us, if any.
23. We have a process to track the status of audit findings and recommendations, if any.
24. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
25. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report, if any.
26. The Housing Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

MANAGEMENT REPRESENTATION LETTER

Housing Authority of the City of New Braunfels
For the twelve months ended SEPTEMBER 30, 2020

27. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
28. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
29. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
30. As part of your audit, you provided other nonaudit/nonattest services as outlined in your engagement letter. We acknowledge our responsibility as it related to those nonaudit/nonattest services, including that we assume all management responsibilities; oversee the services by designating an individual preferable withing senior management (the Executive Director), who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for the services provided.
31. The Housing Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
32. The Housing Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
33. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
34. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
35. The financial statements properly classify all funds and activities.
36. The financial statements properly classify all funds and activities in accordance with GASB's No. 34, as amended, and GASB's No. 84.
37. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
38. Components of net assets (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
39. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
40. Provisions for uncollectible receivables have been properly identified and recorded.
41. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
42. Revenues are appropriately classified in the statement of activities with program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
43. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
44. Special and extraordinary items are appropriately classified and reported, if any.
45. Deposits and investment securities and derivative instruments, if any, are properly classified as to risk and are properly disclosed.
46. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

MANAGEMENT REPRESENTATION LETTER
Housing Authority of the City of New Braunfels
For the twelve months ended SEPTEMBER 30, 2020

47. We have appropriately disclosed the Housing Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted net assets are available and have determined that net assets were properly recognized under the policy.
48. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
49. With respect to the supplementary information on which an in relation-to opinion is issued (Capital fund schedules and financial data schedules)
 - a. We acknowledge our responsibility for presenting the supplemental information listed above in accordance with accounting principles generally accepted in the United States of America, and we believe the supplemental information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplemental information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
50. With respect to federal award programs (where applicable):
 - a. We are responsible for understanding and complying with and have complied with the requirements Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards, when required.
 - b. We have prepared the schedule of expenditures of federal awards in accordance with the Uniform Guidance and have identified and disclosed in the schedule expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance, when required.
 - c. We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance, when required. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
 - d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, when required, and have included in the SEFA, expenditures made during the audit period for all wards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance..
 - e. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
 - f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

MANAGEMENT REPRESENTATION
Housing Authority of ~~LEICHTER~~ New Braunfels
For the twelve months ended SEPTEMBER 30, 2020

- g. We have made available to you all federal awards (including amendments, if any, and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities).
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance, if any, with the requirements of federal awards.
- j. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for the previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching, if any, were determined in accordance with relevant guidelines in the Uniform Guidance and OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, if applicable.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have charged costs to federal awards in accordance with applicable cost principles.
- u. We are responsible for and have accurately prepared the summary schedule of prior audit findings, if required, to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- x. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance, when required.
- y. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

MANAGEMENT REPRESENTATION LETTER
Housing Authority of the City of New Braunfels
For the twelve months ended SEPTEMBER 30, 2020

51. Agreed Upon Procedures:

- a. The U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), has specified that certain agreed upon procedures be applied to the electronic submission of audit information.
- b. The agreed upon procedures consist of determining whether the electronic submission of certain financial information to REAC agrees with the related audited hard copy documents.
- c. Management of the Housing Authority of the City of New Braunfels is responsible for the electronic submission of this information to REAC.
- d. Management has provided you with all relevant information and access, as applicable, as agreed upon in the terms of the engagement.
- e. All known matters contradicting the accuracy of the electronic financial information and any communications from regulatory agencies or others affecting the electronic submission of financial information to REAC have been disclosed to you, including communications received between the date of the electronic submission of financial data and the date of our report.
- f. We are not aware of any material misstatements in the electronic financial data submitted to REAC.
- g. We have disclosed to you all known events subsequent to the date of the electronic submission of financial data to REAC that would have a material effect on the electronic submission.

Signed: _____

Title: _____

Date: _____



Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

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General Information

PHA Information	
PHA Code:	TX343 Fiscal Year End Date:09/30/2021
PHA Name:	New Braunfels Housing Authority
Submission Type:	Unaudited/Single Audit

Total Federal Awards Expended Details ([Back to General Information](#))

CFDA#	Name of Federal program	Details
14.PHC	Public Housing CARES Act Funding	
*G4100-030	Amount Expended \$ 12,486	---
14.850	Low Rent Public Housing	
*G4100-030	Amount Expended \$ 390,105	---
1	Business Activities	
*G4100-030	Amount Expended \$ 0	---
14.872	Public Housing Capital Fund Program	
*G4100-030	Amount Expended \$ 517,074	---
14.871	Housing Choice Vouchers	
*G4100-030	Amount Expended \$ 1,648,393	---
14.HCC	HCV CARES Act Funding	
*G4100-030	Amount Expended \$ 39,628	---
Add a Federal Program		
<input type="button" value="Save"/> <input type="button" value="Reset"/>		

*mandatory field