

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013
FINANCIAL REPORTS AND SUPPLEMENTARY INFORMATION
Years Ended June 30, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

December 5, 2022

The Board of Directors
Louisiana Disabled Persons Finance Corporation
Lake Charles, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Louisiana Disabled Persons Finance Corporation (a nonprofit organization), HUD Project No. 064-EH139/LA48-T841-013, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Louisiana Disabled Persons Finance Corporation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Louisiana Disabled Persons Finance Corporation 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Entity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional 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 Entity'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 evaluating 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 Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to chief executive officer and accompanying supplementary information shown on pages 19 through 24 is presented for the purposes of additional analysis as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022 on our consideration of the Entity'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 Louisiana Disabled Persons Finance Corporation'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 Louisiana Disabled Persons Finance Corporation's internal control over financial reporting and compliance.

Federal Employer ID #72-0949580
Lead Auditor: Coy T. Vincent, CPA

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

ASSETS

<u>HUD Account</u>		<u>2022</u>	<u>2021</u>
	CURRENT ASSETS		
1120	Cash	\$ 91,500	29,422
1130	Accounts receivable - tenants	(945)	(5,173)
1135	Accounts receivable - HUD	(227)	(227)
1200	Prepaid expenses	-	1,847
1100T	TOTAL CURRENT ASSETS	<u>90,328</u>	<u>25,869</u>
	RESTRICTED DEPOSITS AND FUNDED RESERVES		
1191	Tenant security deposits	4,445	3,617
1320	Reserve for replacements	23,000	20,651
1340	Residual reserve	117	117
		<u>27,562</u>	<u>24,385</u>
	PROPERTY AND EQUIPMENT		
1420	Buildings	640,510	530,689
1450	Construction in progress	-	80,986
1465	Fixed equipment	32,827	32,827
1440	Portable equipment	23,671	23,671
1400T		<u>697,008</u>	<u>668,173</u>
1495	Less accumulated depreciation	588,060	584,722
		<u>108,948</u>	<u>83,451</u>
1410	Land	56,696	56,696
1400N		<u>165,644</u>	<u>140,147</u>
1000T		<u>\$ 283,534</u>	<u>\$ 190,401</u>

See accompanying notes to financial statements.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF FINANCIAL POSITION - CONTINUED

June 30, 2022 and 2021

LIABILITIES AND NET ASSETS (DEFICIT)

<u>HUD Account</u>		<u>2022</u>	<u>2021</u>
	CURRENT LIABILITIES		
2170	Current portion of mortgage payable	\$ 18,163	\$ 17,065
2130	Accrued interest payable	-	2,240
2190-010	Due to affiliate	<u>294,369</u>	<u>154,863</u>
2122T	TOTAL CURRENT LIABILITIES	312,532	174,168
2191	TENANTS' SECURITY DEPOSITS	4,445	3,617
2320	MORTGAGE NOTE PAYABLE, less current portion	393,253	413,016
3131	NET ASSETS (DEFICIT)	<u>(426,696)</u>	<u>(400,400)</u>
2033T		<u>\$ 283,534</u>	<u>\$ 190,401</u>

See accompanying notes to financial statements.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2022 and 2021

<u>HUD Account</u>		<u>2022</u>	<u>2021</u>
	REVENUES		
5121	Housing assistance payments	\$ 80,482	\$ 60,045
5120	Rental	66,961	44,785
5990	Other	3,204	2,850
5000T	TOTAL REVENUES	<u>150,647</u>	<u>107,680</u>
	EXPENSES		
6263T	Administrative	10,379	9,277
6320	Management fees	7,200	5,865
6400T	Utilities	27,908	23,369
6500T	Operating and maintenance	60,523	48,014
6600	Depreciation	3,338	897
6700T	Insurance	43,484	12,260
6820	Interest	24,111	26,346
	TOTAL EXPENSES	<u>176,943</u>	<u>126,028</u>
5060N	CHANGE IN NET ASSETS	(26,296)	(18,348)
51100-050	NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(400,400)</u>	<u>(382,052)</u>
3130	NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (426,696)</u>	<u>\$ (400,400)</u>

See accompanying notes to financial statements.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2022 and 2021

<u>HUD Account</u>	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
S1200-010 Housing assistance payments	\$ 80,482	\$ 60,045
S1200-010 Rental	62,733	49,600
S1200-030 Other income	3,204	2,850
S1200-040	<u>146,419</u>	<u>112,495</u>
S1200-050 Administrative	10,379	9,277
S1200-070 Management fees	7,200	5,865
S1200-090 Utilities	27,908	23,369
S1200-110 Operating and maintenance	58,676	48,014
S1200-140 Insurance	43,484	12,260
S1200-180 Interest	26,351	26,445
S1200-230	<u>173,998</u>	<u>125,230</u>
S1200-240 NET CASH FROM OPERATING ACTIVITIES	(27,579)	(12,735)
CASH FLOWS FROM INVESTING ACTIVITIES		
S1200-250 Net Deposits to reserve for replacement and residual reserve accounts	828	396
S1200-330 Purchase of fixed assets	<u>(28,835)</u>	<u>-</u>
S1200-350 NET CASH FROM INVESTING ACTIVITIES	(28,007)	396
CASH FLOWS FROM FINANCING ACTIVITIES		
S1200-360 Mortgage principal payments	(18,665)	(18,951)
S1200-370 Net proceeds (repayments) on loan from affiliate	<u>139,506</u>	<u>59,460</u>
S1200-460 NET CASH FROM FINANCING ACTIVITIES	<u>120,841</u>	<u>40,509</u>
S1200-470 NET INCREASE (DECREASE) IN CASH	65,255	28,170
S1200-480 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>53,807</u>	<u>25,637</u>
S1200T CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 119,062</u>	<u>\$ 53,807</u>
Supplemental Disclosures:		
Cash paid for interest	<u>\$ 26,351</u>	<u>\$ 26,445</u>

See accompanying notes to financial statements.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENTAL PROJECT NUMBER 064-EH139/LA48-T841-013

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE B – PROPERTY AND EQUIPMENT

The change in the major categories of the property and equipment are as follows:

<u>HUD Account</u>	<u>Fixed Assets</u>	Balance June 30, <u>2021</u>	<u>Addition</u>	Transfers Retirements	Balance June 30, <u>2022</u>
1420	Buildings	\$ 530,689	\$ 109,821	\$ -	\$ 640,510
1450	Construction in progress	80,986	28,835	109,821	-
1465	Fixed equipment	32,827	-	-	32,827
1440	Portable equipment	<u>23,671</u>	<u>-</u>	<u>-</u>	<u>23,671</u>
	TOTAL DEPRECIABLE PROPERTY				
1400T		668,173	138,656	109,821	697,008
1410	Land	<u>56,696</u>	<u>-</u>	<u>-</u>	<u>56,696</u>
1400T	Total fixed assets	<u>\$ 724,869</u>	<u>\$ 138,656</u>	<u>\$ 109,821</u>	753,704
1495	Accumulated depreciation	<u>\$ 584,722</u>	<u>\$ 3,338</u>	<u>\$ -</u>	<u>588,060</u>
1400N	Net fixed assets				<u>\$ 165,644</u>
<u>HUD Account</u>	<u>Fixed Assets</u>	Balance June 30, <u>2020</u>	<u>Addition</u>	Transfers Retirements	Balance June 30, <u>2021</u>
1420	Buildings	\$ 530,689	\$ -	\$ -	\$ 530,689
1450	Construction in progress	-	80,986	-	80,986
1465	Fixed equipment	32,827	-	-	32,827
1440	Portable equipment	<u>23,671</u>	<u>-</u>	<u>-</u>	<u>23,671</u>
	TOTAL DEPRECIABLE PROPERTY				
1400T		587,187	80,986	-	668,173
1410	Land	<u>56,696</u>	<u>-</u>	<u>-</u>	<u>56,696</u>
1400T	Total fixed assets	<u>\$ 643,883</u>	<u>\$ 80,986</u>	<u>\$ -</u>	724,869
1495	Accumulated depreciation	<u>\$ 583,825</u>	<u>\$ 897</u>	<u>\$ -</u>	<u>584,722</u>
1400N	Net fixed assets				<u>\$ 140,147</u>

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENTAL PROJECT NUMBER 064-EH139/LA48-T841-013

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE B – PROPERTY AND EQUIPMENT – CONTINUED

The addition to buildings of \$109,821 in the current year is hurricane repair costs of \$282,896, less insurance proceeds received of \$173,075.

NOTE C - MORTGAGE NOTE PAYABLE

CARC, Inc. (CARC):

First Mortgage note; secured by a mortgage lien, payable in monthly installments of principle and interest of \$3,751 (interest at 6.25% per annum), maturity at February 2036.

	<u>2022</u>	<u>2021</u>
	\$ 411,416	\$ 430,081
Less current maturities	<u>18,163</u>	<u>17,065</u>
	<u>\$ 393,253</u>	<u>\$ 413,016</u>

The following are maturities of long-term debt for each of the next five years:

June 30, 2023	\$ 18,163
June 30, 2024	21,034
June 30, 2025	22,387
June 30, 2026	23,827
June 30, 2027	25,360

In February of 2006, Louisiana Disabled Persons Finance Corporation paid the entire loan balance to U.S. Department of Housing and Urban Development. The funding to pay the loan balance was derived from CARC. Interest rate on CARC's thirty-year mortgage is to be fixed for five years at 6.25% and terms are to be reviewed every five years. The Corporation has signed a use agreement with HUD to abide by HUD regulations, as they apply to this project, and the continued Section 8 contract.

NOTE D - COMMITMENTS AND CONTINGENCIES

Louisiana Disabled Persons Finance Corporation receives a substantial amount of its support from the U.S. Department of Housing and Urban Development. A significant reduction in the level of this support, if this were to occur, may have a material effect on the Corporation's programs and activities.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENTAL PROJECT NUMBER 064-EH139/LA48-T841-013

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE E- RELATED PARTY TRANSACTIONS

The Corporation shares a common Board of Directors with CARC. Any change in the relationship of these organizations could result in changes in financial position significantly different from that reported in these financial statements.

Included in the financial statements for June 30, 2022 and 2021 is a liability to CARC of \$294,369 and \$154,863, respectively, representing amounts advanced by CARC for operations in previous years and expenses which have been paid by CARC but were not yet reimbursed as of the date of the balance sheets. These amounts are due on demand by CARC.

CARC charges for services provided to Louisiana Disabled Persons Finance Corporation. These services include lawn and other maintenance, janitorial services and vehicle usage. Included in operating and maintenance expense for June 30, 2022 and 2021 were \$5,782 and \$6,594 respectively for these services.

See Note C for long term debt payable to CARC.

CARC acts as the Corporation's management agent and, as such, provides a substantial amount of support to the Corporation for a management fee based on the lesser of \$600.00 per month or 7.74% of the Corporation's residential income from the apartment complex. For the years ended June 30, 2022 and 2021, CARC's management fees were \$7,200 and \$5,865, respectively.

NOTE F - CONCENTRATIONS

The Corporation's operations are concentrated in the real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE G - RENT INCREASES

Under the regulatory agreement, the Corporation may not increase rents charged to tenants without HUD approval.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENTAL PROJECT NUMBER 064-EH139/LA48-T841-013

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE H – LIQUIDITY

At June 30, 2022, the Corporation has \$91,500 cash and cash equivalents available to meet needs for general expenditures consisting of cash of \$91,500 and \$0 of tenant accounts receivable. None of the financial assets are subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the project in the next twelve months. In addition, the Corporation may maintain funds in a reserve for replacement or residual receipts account. These funds are used for the benefit of the tenants and/or Corporation and are required by HUD. The funds may be withdrawn only with the approval of HUD. Such funds are not considered by the Corporation to have donor-restrictions.

The Corporation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Corporation are expected to be met on a monthly basis from the rents of project units. In general, the Corporation maintains sufficient financial assets on hand to meet thirty days worth of normal operating expenses.

NOTE I – FUNCTIONAL EXPENSES

The Corporation provides low-income housing to its tenants. The cost of providing program services and supporting activities has been summarized on a functional basis in the table below. Expenses directly attributable to a specific functional activity are reported as expenses of those functional activities. There are no functional expenses that require allocation between activities.

For the Year ended June 30, 2022:

	<u>Program Services</u>	<u>Supporting Activities - Management and General</u>	<u>Total</u>
Payroll and benefits	\$ 40,686	\$ -	\$ 40,686
Administrative	8,000	2,379	10,379
Management fee	-	7,200	7,200
Utilities	27,908	-	27,908
Repairs and maintenance	19,837	-	19,837
Insurance	43,484	-	43,484
Interest	24,111	-	24,111
Depreciation	3,338	-	3,338
Totals	<u>\$167,364</u>	<u>\$ 9,579</u>	<u>\$176,943</u>

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENTAL PROJECT NUMBER 064-EH139/LA48-T841-013

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE I – FUNCTIONAL EXPENSES - CONTINUED

For the Year ended June 30, 2021:

	<u>Program Services</u>	<u>Supporting Activities - Management and General</u>	<u>Total</u>
Payroll and benefits	\$ 30,089	\$ -	\$ 30,089
Administrative	7,000	2,277	9,277
Management fee	-	5,865	5,865
Utilities	23,369	-	23,369
Repairs and maintenance	17,925	-	17,925
Insurance	12,260	-	12,260
Interest	26,346	-	26,346
Depreciation	897	-	897
Totals	<u>\$117,886</u>	<u>\$ 8,142</u>	<u>\$126,028</u>

SUPPLEMENTARY INFORMATION REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2022

Accounts and notes receivable (other than from regular tenants):

None

Delinquent tenant accounts receivable:

Delinquent 30 days \$ 0

Mortgage escrow deposits:

None

Tenants' security deposits:

Tenants' security deposits are held in a separate bank account in the name of the project by Business First Bank, Lake Charles, Louisiana. At June 30, 2022, the account consisted of \$4,445 in cash. Interest earned on the account does not inure to the tenants.

Reserve for replacements:

In accordance with the provision of the Regulatory Agreement, restricted cash is held by Business First Bank to be used for replacement of property with the approval of HUD. The account activity for the year is as follows:

HUD		
<u>Account</u>		
1320P	Balance, June 30, 2021	\$ 20,651
1320DT	Deposits	2,340
1320INT	Interest earned	9
1320WT	Disbursements	-
1320	Balance, June 30, 2022	<u>\$ 23,000</u>
1320R	Deposit suspended or waived indicator	<u>No</u>

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2022

Residual receipts reserve:

In accordance with the provision of the Regulatory Agreement, restricted cash is held by Business First Bank. The use of the residual receipts reserve account is contingent upon HUD's prior written approval. The account activity for the year is as follows:

HUD		
<u>Account</u>		
1340P	Balance, June 30, 2021	\$ 117
1340DT	Deposits	-
1340INT	Interest earned	-
1340WT	Disbursements	-
1340	Balance, June 30, 2022	<u>\$ 117</u>

Accounts payable (other than trade creditors):

None

Management fees payable:

None

Accrued taxes:

None

Loans (other the insured mortgages) and notes payable:

None

Comments on statement of position:

None

Compensation of officers:

There was no compensation of officers for the year ended June 30, 2022.

Identity-of-interest companies:

None

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2022

Donations, Subsidy Payments and Founder's Fees:

Amounts received during the year ended June 30, 2022 are as follows:

Section 8 rent subsidy	\$ <u>80,482</u>
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Changes in ownership interests:

Not applicable

Distributions paid to the owners:

Not applicable

Unauthorized distributions paid to the owners:

Not applicable

Computation of surplus cash, distributions, and residual receipts – annual:

HUD		
<u>Account</u>		
S1300-010	Cash	\$ 95,945
1135	Accounts receivable – HUD	<u>(227)</u>
		95,718
	Current Obligations:	
S1300-050	Accrued mortgage interest payable	-
S1300-080	Loans and notes payable due within 30 days	294,369
2191	Tenant security deposits	<u>4,445</u>
	Total Current Obligations	<u>298,814</u>
S1300-150	Surplus Cash (Deficiency)	<u>\$ (203,096)</u>

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS

Year Ended June 30, 2022

	<u>Fixed Assets</u>	<u>Assets</u>			<u>Balance June 30, 2022</u>
		<u>Balance June 30, 2021</u>	<u>Addition</u>	<u>Transfers Retirements</u>	
HUD					
<u>Account</u>					
1420	Buildings	\$ 530,689	\$ 109,821	\$ -	\$ 640,510
1450	Construction in progress	80,986	28,835	109,821	-
1465	Fixed equipment	32,827	-	-	32,827
1440	Portable equipment	<u>23,671</u>	<u>-</u>	<u>-</u>	<u>23,671</u>
	TOTAL DEPRECIABLE PROPERTY	668,173	138,656	109,821	697,008
1400T					
1410	Land	<u>56,696</u>	<u>-</u>	<u>-</u>	<u>56,696</u>
1400T	Total fixed assets	<u>\$ 724,869</u>	<u>\$ 138,656</u>	<u>\$ 109,821</u>	753,704
1495	Accumulated depreciation	<u>\$ 584,722</u>	<u>\$ 3,338</u>	<u>\$ -</u>	<u>588,060</u>
1400N	Net fixed assets				<u>\$ 165,644</u>

OTHER INFORMATION

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Louisiana Disabled Persons Finance Corporation (the Corporation) is presented to assist in understanding the Corporation's financial statements. The financial statements and notes are representations of the Corporation's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Organization

Louisiana Disabled Persons Finance Corporation was organized as a nonprofit organization formed to acquire and operate a Section 8 apartment project with twenty units, located in Lake Charles, Louisiana, under the provisions of Section 221(d)(4) of the National Housing Act. The Corporation acquired the apartment project on July 1, 1989 and rents apartments to mentally and physically handicapped individuals in Southwest Louisiana. A portion of the tenants' rents are subsidized by the U.S. Department of Housing and Urban Development (HUD).

Use of Estimates

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

Classification of Net Assets

Net assets of the Corporation are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Corporation. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

Classification of Net Assets - Continued

The Corporation does not interpret the guidance in the standard to include amounts restricted by HUD as donor-restricted. The Corporation believes that these amounts do not meet the spirit of the standard for such a classification or is there any industry standard indicating that others will treat these assets as donor-restricted.

All net assets of the Corporation at June 30, 2022 and 2021 were considered to be net assets without donor restrictions.

Property and Equipment

Property and equipment is stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of assets to operations over the following estimated useful lives on the straight-line method.

	<u>Years</u>
Building	5-30
Fixed equipment	15
Portable equipment	5

The property and equipment of the Organization may not be disposed of without the prior approval of HUD.

Impairment of Long-Lived Assets

The Corporation reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the assets are less than the carrying amount of that asset. To date, there have been no such losses.

Income Taxes

The Corporation is a nonprofit organization generally not subject to income taxes according to the provisions of Federal Internal Revenue Code Section 501(c)3 and Louisiana State income tax laws and regulations and, in accordance with an Internal Revenue Service determination letter dated December 13, 1999, is not a private foundation as defined in Federal Internal Revenue Code Section 509(a)(i).

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less. The statement reflects ending cash and cash equivalents of \$119,062 and \$53,807 which represents unrestricted amounts of \$91,500 and \$29,422 and restricted amounts of \$27,562 and \$24,385 at June 30, 2022 and 2021, respectively.

Accounts Receivable

Uncollectible amounts due for receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible. The allowance for bad debts at June 30, 2022 and 2021 is \$0 and \$0, respectively.

Reserve for Replacements

The Corporation is required by HUD to establish a separate reserve fund in a federally insured depository. The Corporation must make monthly deposits of \$195.00 into the reserve fund. The funds may only be used after approval is obtained from HUD.

Residual Reserve

The Corporation is required by HUD to establish a separate reserve fund in a federally insured depository. The Corporation must deposit the annual residual receipts (surplus cash) into the residual reserve fund. The funds may only be used after approval is obtained from HUD.

Tenant Security Deposits

The tenant security deposits are maintained in an interest-bearing savings account separate from the operating account of the Corporation. Withdrawals are restricted to reimbursements of tenants' security deposits.

Subsequent Events

Management has evaluated subsequent events through December 5, 2022, the date the financial statements were available to be issued.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO CHIEF EXECUTIVE OFFICER

Year Ended June 30, 2022

Chief Executive Officer: Libby Leone, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - cell phone	-
Mileage	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meal reimbursements	-
Dues	-

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

December 5, 2022

The Board of Directors
Louisiana Disabled Persons Finance Corporation
Lake Charles, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report dated December 5, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Disabled Persons Finance Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR HUD PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *CONSOLIDATED
AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS*

December 5, 2022

The Board of Directors
Louisiana Disabled Persons Finance Corporation
Lake Charles, Louisiana

Report on Compliance for Each Major HUD Program

Opinion on Each Major HUD Program

We have audited the Louisiana Disabled Persons Finance Corporation HUD Project No. 064-EH139/LA48-T841-013's compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the Guide) that could have a direct and material effect on each of the Entity's major U.S. Department of Housing and Urban Development (HUD) programs for the year ended June 30, 2022. Louisiana Disabled Persons Finance Corporation's major HUD program is Section 8 Multifamily Housing Projects.

In our opinion, Louisiana Disabled Persons Finance Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the HUD program for the year ended June 30, 2022.

Basis for Opinion on Each Major HUD Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Louisiana Disabled Persons Finance Corporation and to meet our ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that our audit provides a reasonable basis for our opinion on compliance for each major HUD program. Our audit does not provide a legal determination of Louisiana Disabled Persons Finance Corporation's compliance.

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, regulations, contracts, and grants applicable to its HUD program.

Auditors' 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 Louisiana Disabled Persons Finance Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide 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 judgement made by a reasonable user of the report on compliance about Louisiana Disabled Persons Finance Corporation's compliance with the requirements of each major HUD program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Entity's compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Entity'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 Guide, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 compliance requirement of a HUD 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 a material noncompliance with a compliance requirement of a HUD 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 compliance requirement of a HUD 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 Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses 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 Guide. Accordingly, this report is not suitable for any other purpose.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2022

I. Summary of Audit Results

1. The auditors' report expresses an unmodified opinion on the financial statements of Louisiana Disabled Persons Finance Corporation.
2. No significant deficiencies or material weaknesses were disclosed or reported during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major HUD program.
5. The auditors' report on compliance for the major HUD program for Louisiana Disabled Persons Finance Corporation expresses an unmodified opinion.
6. There were no audit findings relative to the major HUD program for Louisiana Disabled Persons Finance Corporation.

II. Findings Relating To The Financial Statements Which Are Required To Be Reported In Accordance With Generally Accepted Governmental Auditing Standards

- None

III. Federal Award Findings and Questioned Costs

- None

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year Ended June 30, 2022

IV. Prior Year Audit Findings

-None

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

CERTIFICATION OF PROJECT OWNER

Year Ended June 30, 2022

We hereby certify that we have examined the accompanying financial statements and supplemental data of Louisiana Disabled Persons Finance Corporation and to the best of our knowledge and belief, the same is complete and accurate.



Peter Borling
Finance Director



Libby Leone
Executive Director
Corporation EIN 72-0979554

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

CERTIFICATION OF MANAGEMENT AGENT

Year Ended June 30, 2022

We hereby certify that we have examined the accompanying financial statements and supplemental data of Louisiana Disabled Persons Finance Corporation and to the best of our knowledge and belief, the same is complete and accurate.



Peter Borling
Finance Director
CARC, INC.
72-0946698



Libby Leone
Executive Director
CARC, INC.
72-0946698

December 5, 2022

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To Louisiana Disabled Persons Finance Corporation

We have performed the procedure described in the second paragraph of this report on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Louisiana Disabled Persons Finance Corporation is responsible for the accuracy and completeness of the electronic submission.

Louisiana Disabled Persons Finance Corporation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to determine whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Additionally, the U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC) has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 purpose.

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

We were engaged by Louisiana Disabled Persons Finance Corporation to perform this agreed-upon procedure engagement was conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. 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 Louisiana Disabled Persons Finance Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

We were engaged to perform an audit in accordance with the *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance)*, by Louisiana Disabled Persons Finance Corporation as of and for the year ended June 30, 2022, and have issued our reports thereon dated December 5, 2022. The information in the “Hard Copy Documents” column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated December 5, 2022, was expressed in relation to the basic financial statements of Louisiana Disabled Persons Finance Corporation taken as a whole.

A copy of the reporting package required by the OMB Uniform Guidance, which includes the auditors’ reports, is available in its entirety from Louisiana Disabled Persons Finance Corporation. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

The purpose of this report on applying the agreed-upon procedures is solely to describe the procedure performed on the electronic submission of the items listed in the “UFRS Rule Information” column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

ATTACHMENT TO INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

UFRS Rule Information	Hard Copy Documents	Findings
Balance Sheet, Revenue and Expense and Cash Flow Data (account numbers 1120 to 7100T and the S1200 series)	Financial Data Templates (i.e., Supplemental Schedules)	Agrees
Surplus Cash (S1300 series of accounts) Note: Cooperatives are exempt	Financial Data Templates (i.e., Computation of Surplus Cash, Distributions and Residual Receipts (Annual))	Agrees
Footnotes (S3100 series of accounts)	Footnotes to Audited Basic Financial Statements	Agrees
Type of Opinion on the Financial Statements and Auditor Reports (S3400, S3500, and S3600 series of accounts)	Auditors' Reports on the Financial Statements, Compliance, and Internal Control	Agrees
Type of Opinion on Financial Data Templates (i.e., Supplemental Data) (account S3400-100)	Auditors' Supplemental Report on Financial Data Templates	Agrees
Audit Findings Narrative (S3800 series of accounts)	Schedule of Findings and Questioned Costs	Agrees
General Information (S3300, S3700, and S3800 series of accounts)	Schedule of Findings and Questioned Costs and Federal Awards Data	Agrees