

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED SEPTEMBER 30, 2017

THE HOUSING AUTHORITY OF LAFOURCHE PARISH

RACELAND, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
The Housing Authority of Lafourche Parish
Raceland, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of The Lafourche Parish Housing Authority as of and for the year ended September 30, 2017, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

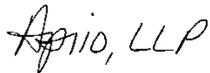
Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. Supplementary data is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for the Department of Housing and Urban Development's information, and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is 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.

The Financial Data Schedule, the Schedule of Expenditures of Federal Awards and other supplementary data are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the financial statements. Such 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 data 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 March 19, 2018 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Birmingham, Alabama
March 19, 2018

**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**

Board of Commissioners
The Lafourche Parish Housing Authority
Raceland, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority, as of and for the year ended September 30, 2017, 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 19, 2018.

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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

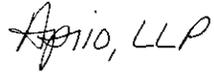
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, slightly slanted style.

Birmingham, Alabama

March 19, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
The Lafourche Parish Housing Authority
Raceland, Louisiana

Report on Compliance for the Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2017. The Authority's major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Authority's compliance.

Opinion on the Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 first paragraph of this 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*. However, *material weaknesses* may exist that have not been identified.

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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Aprio, LLP

Birmingham, Alabama
March 19, 2018

THE HOUSING AUTHORITY OF LAFOURCHE PARISH, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SEPTEMBER 30, 2017

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2017**

The management of The Housing Authority of Lafourche Parish, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2017. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$14,159,276 at the close of the fiscal year ended 2017.
 - Of this amount \$9,566,112 represents a restriction equal to the net amount invested in land, buildings, furnishings, improvements, equipment, and construction in progress, net of related debt.
 - Also, \$526,954 of net position is restricted for mortgage escrows, repair and replacement reserves, and housing assistance payments.
- The Authority's total net position decreased by \$347,337.
- Current and restricted assets increased due mainly to an increase of cash restricted for housing assistance payments. See the Statement of Cash Flows for additional details regarding the fluctuations in cash balances.
- Capital assets decreased due to depreciation exceeding modernization and improvement activity during the fiscal year.
- Non-current liabilities decreased due to capital debt retirements.
- There is \$3.23 of current assets covering each dollar of current liabilities, including the current portion of long term debt. This ratio has remained stable compared to the current ratio of \$3.28 as of fiscal year-end 2016.
- The Housing Authority owes \$3,531,114 in long term capital debt.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2017**

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a long-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves, demonstrating HUD funding by federal program, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is: "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2017?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the programs of the Authority are reported as a single enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The Authority's financial statements report its net position and changes in them. One can think of the Authority's net position – the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Authority.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2017**

Using this Annual Report

The Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing, including the Capital Fund Program
- Housing Choice Vouchers Program
- Community Development Corporation
- City Place II Housing Corporation
- Business Activities

The Authority's auditors provided assurance in the independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Authority's Most Significant Programs

The Authority's financial statements provide detailed information about the most significant programs. Some programs are required to be established by the Department of Housing and Urban Development (HUD). However, the Authority establishes other programs to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Authority uses the following accounting approach for Enterprise funds: All of the Authority's services are reported as one enterprise fund. The focus of the fund is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2017**

Financial Analysis

The Authority's net position was \$14,159,276 as of September 30, 2017. Of this amount, \$9,566,112 was a net investment in capital assets (net of accumulated depreciation and related debt), \$526,954 was restricted and the remaining \$4,066,210 was unrestricted.

Condensed Financial Statements

**CONDENSED STATEMENT OF NET POSITION
(Excluding Interfund Transfers)
As of September 30,**

	2017	2016	Variance
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 1,670,016	\$ 1,573,873	\$ 96,143
Capital Assets	13,159,404	13,670,196	(510,792)
Other Non-Current Assets	3,444,156	3,444,156	-
Deferred Outflows of Resources	-	-	-
	\$ 18,273,576	\$ 18,688,225	\$ (414,649)
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 353,928	\$ 370,872	\$ (16,944)
Non-Current Liabilities	3,760,372	3,810,740	(50,368)
Deferred Inflows of Resources	-	-	-
	\$ 4,114,300	\$ 4,181,612	\$ (67,312)
Net Position:			
Net Investment in Capital Assets	\$ 9,566,112	\$ 10,017,316	\$ (451,204)
Restricted Net Position	526,954	351,719	175,235
Unrestricted Net Position	4,066,210	4,137,578	(71,368)
	\$ 14,159,276	\$ 14,506,613	\$ (347,337)

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2017**

Condensed Financial Statements - Continued

The net position of the Authority decreased by \$347,337 from fiscal year 2016, as explained below. In the narrative that follows, the detail factors causing this change are discussed.

**CONDENSED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
(Excluding Interfund Transfers)
Fiscal Year Ended of September 30,**

	<u>2017</u>	<u>2016</u>	<u>Variance</u>	<u>% Variance</u>
Revenues:				
Tenant Rental Revenue	\$ 1,732,038	\$ 1,742,875	\$ (10,837)	-1%
Operating Grants	2,183,201	1,992,193	191,008	10%
Capital Grants	385,278	49,255	336,023	682%
Investment Income	1,366	2,542	(1,176)	-46%
Other Income	215,214	200,651	14,563	7%
	<u>\$ 4,517,097</u>	<u>\$ 3,987,516</u>	<u>\$ 529,581</u>	13%
Expenses:				
Administrative Expenses	\$ 740,632	\$ 722,153	\$ 18,479	3%
Tenant Services	5,148	3,774	1,374	36%
Utilities	230,379	204,899	25,480	12%
Maintenance & Operations	865,089	859,552	5,537	1%
Protective Services	60,418	55,638	4,780	9%
Insurance	428,448	440,390	(11,942)	-3%
General Expenses	132,612	107,596	25,016	23%
Interest Expense	154,609	157,104	(2,495)	-2%
HAP Payments	1,148,781	1,147,700	1,081	0%
Depreciation	1,098,318	1,169,903	(71,585)	-6%
	<u>\$ 4,864,434</u>	<u>\$ 4,868,709</u>	<u>\$ (4,275)</u>	0%
Excess Revenues Over (Under) Expenses	<u><u>\$ (347,337)</u></u>	<u><u>\$ (881,193)</u></u>	<u><u>\$ 533,856</u></u>	

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2017**

Explanations of Financial Analysis - Revenues

Compared with the prior fiscal year, total revenues increased \$529,581, or by 13%. Reasons for most of this change are listed below.

Operating grants increased by \$191,008 due primarily to an increase of subsidies recognized through the Authority's Section 8 Housing Choice Voucher Program.

Capital grants increased by \$336,023 due to an increase of modernization activity on the Authority's Public Housing properties.

Explanations of Financial Analysis - Expenses

Compared with the prior fiscal year, total expenses remained stable. Depreciation expense experienced a modest decrease due to assets reaching their estimated useful lives in the prior fiscal year.

Other expenses remained relatively stable with less significant variances.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2017**

Capital Asset and Debt Administration

Capital Assets

At September 30, 2017, the Housing Authority had a total cost basis of \$34,473,777 invested in a broad range of capital assets. More detailed information about capital assets appears in the notes to the financial statements.

	<u>2017</u>	<u>2016</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 694,394	\$ 694,394	\$ -	0%
Buildings	31,359,579	30,956,402	403,177	1%
Furniture & Equipment	1,044,929	1,012,290	32,639	3%
Construction in Process	1,374,875	1,223,165	151,710	12%
Accumulated Depreciation	<u>(21,314,373)</u>	<u>(20,216,055)</u>	<u>(1,098,318)</u>	<u>5%</u>
Net Capital Assets	<u>\$ 13,159,404</u>	<u>\$ 13,670,196</u>	<u>\$ (510,792)</u>	<u>-4%</u>

Debt

City Place II Housing Corporation incurred a first mortgage payable to purchase land and tenant dwellings. The original mortgage was \$3,964,461, with payments of \$25,070 monthly at 7.1% interest. On September 29, 2011, the Corporation refinanced the mortgage note in the amount of \$3,911,600. The note incurs interest at the rate of 4.27% and is payable in equal monthly installments of \$17,867 through March 1, 2047. At the end of the current fiscal year, City Place II owed a principal balance of \$3,593,292 on the mortgage.

Finally, long-term liabilities also include accrued annual vacation and sick leave due to payments expected beyond the current year.

Loan Receivable

The Authority's Community Development Corporation, a blended component unit, made a 1% demand loan to City Place Investors, LLC to provide financing for the City Place I Apartments. At the end of the current fiscal year, the Community Development Corporation was owed \$3,444,156 plus accrued interest of \$627,174 on the loan. An allowance in the amount of \$627,174 is recorded against the accrued interest receivable balance.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2017**

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal Budget than by local economic conditions. The capital budgets for the 2018 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital Fund grants are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

Contacting the Authority's Financial Management

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact the Executive Director, at The Housing Authority of Lafourche Parish, La; P.O. Drawer 499; Lafourche, LA 70394.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 802,841
Accounts Receivable, Net	17,274
Investments	100,000
Prepaid Costs	218,294
Inventory	4,653
Total Current Assets	<u>1,143,062</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>526,954</u>
Total Restricted Assets	<u>526,954</u>
<u>Capital Assets</u>	
Land	694,394
Buildings and Improvements	31,359,579
Furniture & Equipment	1,044,929
Construction in Progress	1,374,875
	<u>34,473,777</u>
(Less): Accumulated Depreciation	<u>(21,314,373)</u>
Net Capital Assets	<u>13,159,404</u>
<u>Other Assets</u>	
Note Receivable	<u>3,444,156</u>
Total Other Assets	<u>3,444,156</u>
Total Assets	<u>18,273,576</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 18,273,576</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

	<u>Enterprise Fund</u>
<u>Current Liabilities</u>	
Accounts Payable	\$ 119,235
Accrued Wages and Payroll Taxes	3,225
Accrued Compensated Absences	18,442
Accrued Interest Payable	12,786
Tenant Security Deposits	91,644
Unearned Revenue	41,293
Current Portion of Capital Debt	62,178
Tenant Escrow Deposits	5,125
Total Current Liabilities	<u>353,928</u>
 <u>Long Term Liabilities</u>	
Long Term Capital Debt	3,531,114
Accrued Compensated Absences	229,258
Total Long Term Liabilities	<u>3,760,372</u>
 Total Liabilities	<u>4,114,300</u>
 Deferred Inflows of Resources	<u>-</u>
 Total Liabilities and Deferred Inflows of Resources	<u>4,114,300</u>
 <u>Net Position</u>	
Net Investment in Capital Assets	9,566,112
Restricted Net Position	526,954
Unrestricted Net Position	4,066,210
Total Net Position	<u>14,159,276</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 18,273,576</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 1,732,038
Operating Grants	2,183,201
Other Revenue	215,214
Total Operating Revenues	<u>4,130,453</u>
<u>Operating Expenses</u>	
Administrative	740,632
Tenant Services	5,148
Utilities	230,379
Maintenance and Operations	865,089
Protective Services	60,418
Insurance	428,448
General Expense	132,612
Housing Assistance Payments	1,148,781
Depreciation	1,098,318
Total Operating Expenses	<u>4,709,825</u>
Operating Income (Loss)	<u>(579,372)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	1,366
Interest Expense	(154,609)
Total Non-Operating Rev/(Exp)	<u>(153,243)</u>
Increase (decrease) before Capital Contributions	<u>(732,615)</u>
Capital Contributions	<u>385,278</u>
Increase (Decrease) in Net Position	(347,337)
Net Position, Beginning	14,506,613
Net Position, Ending	<u>\$ 14,159,276</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,687,950
Cash Received from Operating Grants	2,182,393
Cash Received from Other Sources	216,498
Cash Payments for Salaries and Benefits	(991,132)
Cash Payments to Vendors and Landlords	(2,527,514)
Net cash provided (used) by operating activities	<u>568,195</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	385,278
Capital Outlay	(637,017)
Principal, and Interest paid on Capital Debt	(214,409)
Net cash provided (used) by capital & related financing activities	<u>(466,148)</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	1,366
Purchase of FHLB Bond investment	(100,000)
Net cash provided (used) by investing activities	<u>(98,634)</u>
Net increase in cash and cash equivalents	3,413
Total cash and cash equivalents, beginning of year	<u>1,326,382</u>
Total cash and cash equivalents, end of year	<u>\$ 1,329,795</u>
 <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ (579,372)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,098,318
Bad Debt Expense (Tenants)	39,598
Bad Debt Expense (Other)	383
Change in Tenant Accounts Receivable	(36,638)
Change in Accounts Receivable/Payable - Grants	(808)
Change in Other Accounts Receivable	(4,895)
Change in Prepaid Costs and Inventory	9,630
Change in Accounts Payable - Operating	29,680
Change in Accrued Expenses	13,570
Change in Unearned Revenue - Tenant	(7,450)
Change in Security Deposits Held	6,229
Change in Other Current Liabilities	(50)
Net cash provided (used) by operating activities	<u>\$ 568,195</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH

RACELAND, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing 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 is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

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 as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as applicable pronouncements issued by the Financial Accounting Standards Board.

Cash and Investments

The Housing Authority considers cash on hand and cash in checking and money markets to be cash equivalents. Cash on hand is not included in calculation of collateral required. Investments consist of \$100,000 invested in an FHLB (Federal Home Loan Bank) Bond, yielding 1.75% as of September 30, 2017. The bond matures in February of 2021. However, due to the insignificance of potential early sale penalties, the Authority considers the investment a current asset.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Gross tenant receivables total \$27,547, and are reported net of a \$15,759 allowance for doubtful accounts. Other receivables consist of \$808 grant receivables, \$166 accrued interest receivable, and \$4,512 of fraud recovery receivables.

Prepaid Items and Inventory

Prepaid items and inventory consists of payments made to vendors for services and materials that will benefit future periods.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Capital Assets

Capital assets are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings	33 years
Improvements	15 years
Furniture and equipment	3-7 years

Authority management has assessed the carrying values of capital asset balances as of September 30, 2017, and as of March 19, 2018. No significant capital asset value impairments exist as of the noted dates.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue. The Authority's unearned revenue consists of tenant prepaid rent.

Inter-program Receivables/Payables

Inter-program receivables and payables are eliminated when preparing and presenting the Authority's financial statements. As of September 30, 2017, the Community Development Corporation, a blended component unit of the Authority, owes the Authority's Business Activities Program \$17,960.

Revenue Accounting Policies

Dwelling rent income, HUD grants recognized for operations, and other miscellaneous income are reported as operating income. HUD grants received to fund capital asset expenditures and all other revenue is reported as non-operating revenue.

These financial statements do not contain material inter-program revenues and expenses for internal activity. The policy is to eliminate any material inter-program revenues and expenses for these financial statements.

Cost Allocation Plan

In accordance with *Uniform Guidance*, the Authority utilizes a Cost Allocation Plan. The Authority allocates indirect costs to programs on the basis of one of the following methods: direct salaries and wages, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed or the allotment stipulated in contractual agreements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

The Authority is a separate non-profit corporation with a Board of Commissioners. The Lafourche Parish Government appoints the Board of Commissioners. However, the Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity, Statement No. 39: Determining Whether Certain Organizations are Component Units, and Statement No. 61: The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following component units:

Community Development Corporation of Lafourche, Inc. is a related not-for-profit Louisiana Corporation, which was created in 1997 as another avenue to provide low income housing. The Corporation currently owns and operates a 12-unit affordable rental development, known as The Cottages of Central Lafourche Parish. The entity's year-end is September 30. The financial statements for Community Development Corporation can be obtained by writing the Authority at P.O. Box 499, Raceland, Louisiana 70394.

City Place II Housing Corporation, Inc. is a related not-for-profit Louisiana Corporation created in 2001 to own and operate a 112-unit residential project located in Lockport, Louisiana. The units were acquired through the assumption of an FHA-insured 221(d)(4) mortgage. The entity's year end is September 30. The financial statements for City Place II Housing Corporation, Inc. can be obtained by writing the Authority at P.O. Box 499, Raceland, Louisiana 70394.

Both Community Development Corporation and City Place II Housing Corporation are presented as blended component units because both corporations share the same governing body as the Housing Authority. There are no other component units.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C - CASH AND INVESTMENT DEPOSITS

Custodial Credit Risk – The Authority 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.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally insured investments.

The Authority's cash and investments consist of funds held in interest bearing checking and money market accounts, and investment sweep accounts totaling \$1,329,295. The remaining \$500 is made up of petty cash accounts. Investments consist of \$100,000 invested in an FHLB bond. Deposits with financial institutions are secured as follows:

	<u>Book Balance</u>	<u>Deposits in Bank</u>
Insured by FDIC	\$ 696,256	\$ 670,985
Investments held in U.S. Treasury Obligations	100,000	100,000
Collateralized with specific securities in the Authority name which are held by the financial institution	633,039	680,585
	<u>\$ 1,429,295</u>	<u>\$ 1,451,570</u>

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of the Statement of Net Position Date as follows:

None of Significance

NOTE E - SIGNIFICANT ESTIMATES

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, account receivable valuations and note receivable valuations. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE F - PENSION PLAN

The Authority participates in the Housing-Renewal and Local Agency Retirement Plan administered by Broussard, Bush & Hurst. It is a defined contribution plan that consists of the employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Assets in the plan are recorded at market value and are administered by a private corporation under contract with the Housing Authority. All regular and full-time employees are eligible to participate in the plan after having completed six months of continuous and uninterrupted employment. The Authority contributes 8% of the eligible employees' compensation to the Plan. Employees are fully vested in the Authority's contribution after five years of continuous service. During fiscal year 2017, the Authority made the required contributions in the amount of \$41,281.

NOTE G – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

NOTE H – COMPENSATED ABSENCES

It is the Authority's policy to grant full time permanent employees vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Sick leave also accrues to full time employees to specified maximums. The employees are entitled to vacation leave balances at termination. Leave accrued but not yet paid as of September 30, 2017, is reported as a liability allocated between current and non-current.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – LONG TERM LIABILITIES

- On April 1, 2001, the Corporation assumed a mortgage on the 112-unit City Place II multifamily residential project from City Place Lockport Associates, LTD. The principal balance due under the mortgage note at the time of assumption was \$3,964,461. On September 29, 2011, the Corporation refinanced the mortgage note in the amount of \$3,911,600. The note incurs interest at the rate of 4.27% and is payable in equal monthly installments of \$17,867 through March 1, 2047. The mortgage note is secured with the applicable property and the outstanding principal balance of this note, as of fiscal year-end was \$3,593,292. Interest expended during the year was \$154,609. Future projected payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2018	62,178	152,226	3,531,114
2019	64,886	149,518	3,466,228
2020	67,711	146,693	3,398,517
2021	70,660	143,744	3,327,857
2022	73,736	140,668	3,254,121
2023 - 2027	419,735	652,285	2,834,386
2028 - 2032	519,437	552,583	2,314,949
2033 - 2037	642,821	429,199	1,672,128
2038 - 2042	795,513	276,507	876,615
2043 - 2047	876,615	88,497	-
	<u>\$ 3,593,292</u>	<u>\$ 2,731,920</u>	<u>\$ -</u>

- A second mortgage was executed on the City Place II project and was payable to the Community Development Corporation of Lafourche Parish (also a component unit of The Housing Authority of Lafourche Parish). The note was in the amount of \$4,313,389 and incurred interest at a rate of 1% (non-compounded). Principal and interest was payable on the maturity date of the first mortgage. In August of 2011, the Community Development Corporation forgave the outstanding principal balance on the note of \$4,313,389. The outstanding accrued interest balance as of September 30, 2017 was \$560,741. There was no interest expense incurred during the year. Because this liability is payable to another blended component unit of the Authority, the outstanding accrued interest has been eliminated from the Authority's financial statements.

Long-term liability activity for the year ended September 30, 2017, was as follows:

	October 1, 2016			September 30, 2017		Due Within
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>		<u>One Year</u>
Long-Term Debt	\$ 3,652,880	\$ -	\$ 59,588	\$ 3,593,292	\$	62,178
Accrued Compensated Absences	235,782	38,839	26,921	247,700		18,442
Less: Current portion	<u>(77,922)</u>			<u>(80,620)</u>		
Long-Term Debt Liabilities	<u>\$ 3,810,740</u>			<u>\$ 3,760,372</u>	\$	<u>80,620</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – NOTES RECEIVABLE

1. In September 1998, Community Development Corporation of Lafourche Parish (a blended component unit of The Housing Authority of Lafourche Parish) issued a note to City Place Investors, LLC for \$3,444,156 to provide financing for the City Place I Apartments. The note is secured by a second mortgage on the City Place I property. The note incurs interest at 1% (non-compounded). Principal and interest are payable on the maturity date of the first mortgage. The outstanding principal balance as of September 30, 2017 was \$3,444,156 with accrued interest of \$627,174. Due to uncertainties regarding the collectability of the interest receivable, an allowance against the entire interest receivable balance has been reported as of fiscal year-end. The note matures in December of 2039.
2. The Community Development Corporation of Lafourche Parish held a second mortgage on the City Place II project. In August of 2011, the Community Development Corporation forgave the outstanding principal balance on the note of \$4,313,389. The outstanding accrued interest receivable balance as of September 30, 2017 was \$560,741. Because this asset is payable from another blended component unit of the Authority, the outstanding accrued interest receivable has been eliminated from the Authority's financial statements. See "NOTE I – LONG TERM DEBT" for additional details.

NOTE K – RESTRICTED CASH AND NET POSITION

The Authority's restricted cash consists of the following as of September 30, 2017:

Replacement Reserve	\$ 175,236
Escrow Accounts	53,609
Residual Receipts Reserve	137
Held for Housing Assistance Payments	297,972
Total Restricted Assets	<u><u>\$ 526,954</u></u>

NOTE L – CONCENTRATION OF RISK

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M – CAPITAL ASSETS

A summary of capital assets at September 30, 2017 is as follows:

	<u>Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>The Cottages</u>	<u>City Place II</u>	<u>TOTAL</u>
Land	\$ 561,520	\$ -	\$ 32,874	\$ 100,000	\$ 694,394
Building and Improvements	20,981,410	120,000	1,626,660	8,631,509	31,359,579
Furniture, Fixtures and Equipment	1,001,035	21,211	-	22,683	1,044,929
Construction in Process	-	-	-	1,374,875	1,374,875
Less Accumulated Depreciation	<u>(16,101,207)</u>	<u>(72,120)</u>	<u>(110,909)</u>	<u>(5,030,137)</u>	<u>(21,314,373)</u>
Total Capital Assets	<u>\$ 6,442,758</u>	<u>\$ 69,091</u>	<u>\$ 1,548,625</u>	<u>\$ 5,098,930</u>	<u>\$ 13,159,404</u>

A summary of capital asset activity for the fiscal year ended September 30, 2017 is as follows:

	<u>October 1, 2016 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>September 30, 2017 Balance</u>
Land	\$ 694,394	\$ -	\$ -	\$ 694,394
Construction in Process	<u>1,223,165</u>	<u>162,310</u>	<u>(10,600)</u>	<u>1,374,875</u>
Total Assets not being depreciated	1,917,559	162,310	(10,600)	2,069,269
Buildings and Improvements	30,956,402	392,577	10,600	31,359,579
Furniture and Equipment	<u>1,012,290</u>	<u>32,639</u>	<u>-</u>	<u>1,044,929</u>
Total Capital Assets	33,886,251	587,526	-	34,473,777
Less Accumulated Depreciation				
Buildings and Improvements	(19,367,692)	(1,003,171)	-	(20,370,863)
Furniture and Equipment	<u>(848,363)</u>	<u>(95,147)</u>	<u>-</u>	<u>(943,510)</u>
Net Book Value	<u>\$ 13,670,196</u>	<u>\$ (510,792)</u>	<u>\$ -</u>	<u>\$ 13,159,404</u>

City Place II Housing Corporation's construction in process of \$1,374,875 has been placed-in-service as of October 1, 2017.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N – COMMITMENTS AND CONTINGENCIES

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 O – BLENDED COMPONENT UNIT FINANCIAL STATEMENTS

Blended Component Units - Condensed Statement of Net Position

	City Place II Housing Corporation 9/30/2017	Community Development Corporation 9/30/2017	Elimination	Total Blended Component Units 9/30/2017
Assets				
Current and restricted assets	\$ 404,220	\$ 14,186	\$ -	\$ 418,406
Capital assets	5,098,930	1,548,625	-	6,647,555
Notes receivable	-	3,444,156	-	3,444,156
Interest receivable due from CPII	-	560,741	(560,741)	-
Total assets	5,503,150	5,567,708	(560,741)	10,510,117
Liabilities				
Current liabilities	178,903	2,100	-	181,003
Current liabilities due to The HA of LP	-	17,960	-	17,960
Non-current interest payable due to CDC	560,741	-	(560,741)	-
Other non-current liabilities	3,531,114	-	-	3,531,114
Total liabilities	4,270,758	20,060	(560,741)	3,730,077
Net position				
Net investment in capital assets	1,505,638	1,548,625	-	3,054,263
Restricted net position	228,982	-	-	228,982
Unrestricted net position	(502,228)	3,999,023	-	3,496,795
Total net position	\$ 1,232,392	\$ 5,547,648	\$ -	\$ 6,780,040

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – BLENDED COMPONENT UNIT FINANCIAL STATEMENTS – CONTINUED

Blended Component Units - Condensed Statement of
Revenues, Expenses and Changes in Net Position

	City Place II Housing Corporation 9/30/2017	Community Development Corporation 9/30/2017	Total Blended Component Units 9/30/2017
Revenues			
Tenant rental revenue	\$ 986,299	\$ 58,590	\$ 1,044,889
Other operating revenue	76,130	1,850	77,980
Investment income	65	-	65
Total revenues	1,062,494	60,440	1,122,934
Expenses			
Administrative and general expenses	260,045	21,811	281,856
Management fees to The HA of LP	24,000	12,000	36,000
Maintenance and utilities	357,958	34,183	392,141
Interest expense	154,609	-	154,609
Depreciation	228,967	49,293	278,260
Total expenses	1,025,579	117,287	1,142,866
Increase (decrease) in net position	36,915	(56,847)	(19,932)
Beginning net position	1,195,477	5,604,495	6,799,972
Ending net position	\$ 1,232,392	\$ 5,547,648	\$ 6,780,040

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – BLENDED COMPONENT UNIT FINANCIAL STATEMENTS – CONTINUED

Blended Component Units - Condensed Statement of Cash Flows

	City Place II Housing Corporation 9/30/2017	Community Development Corporation 9/30/2017	Total Blended Component Units 9/30/2017
Cash flows from (used by)			
operating activities			
To The HA of LP	\$ (24,000)	\$ (12,000)	\$ (36,000)
Other operating activities	453,588	(23,080)	430,508
From (used by) all operating activities	429,588	(35,080)	394,508
Cash flows from non-capital			
financing activities			
From The HA of LP	-	17,960	17,960
From all non-capital financing activities	-	17,960	17,960
Used by all capital and related financing activities	(438,397)	-	(438,397)
From all investing activities	65	-	65
Net decrease in cash and equivalents	(8,744)	(17,120)	(25,864)
Beginning current and restricted cash	369,055	19,220	388,275
Ending current and restricted cash	\$ 360,311	\$ 2,100	\$ 362,411

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through March 19, 2018, the date the financial statements were available to be issued.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2017

EXPENDITURES

Low Rent Public Housing Expenditures Total CFDA Number 14.850a	<u>\$ 624,601</u>
Section 8 Housing Choice Vouchers Total CFDA Number 14.871	<u>1,449,612</u>
Public Housing Capital Fund Program Total CFDA Number 14.872	<u>494,266</u>
TOTAL HUD EXPENDITURES	<u>2,568,479</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 2,568,479</u>

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2017. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net 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 allowed or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Authority has elected not to use the 10% *De Minimus Indirect Cost Rate* allowed under the Uniform Guidance.

CITY PLACE II HOUSING CORPORATION, INC.
PROJECT NO. 064-35326

RACELAND, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2017

EXPENDITURES

Non-cash Federal Assistance - HUD National Assistance Act, Section 221 (d)(4) Total CFDA Number 14.135	\$ 3,652,880
TOTAL HUD EXPENDITURES	<u>3,652,880</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 3,652,880</u>

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Corporation under programs of the federal government for the year ended September 30, 2017. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Corporation, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Corporation.

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 allowed or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Corporation has elected not to use the 10% *De Minimus Indirect Cost Rate* allowed under the Uniform Guidance.

NOTE 4 – LOAN BALANCE

The Corporation's outstanding loan balance as of September 30, 2017 was \$3,593,292.

**THE HOUSING AUTHORITY OF LAFOURCHE PARISH
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
 SEPTEMBER 30, 2017**

	Public Housing Capital Fund Program LA48P08050115
Funds Approved	\$ 329,062
Funds Expended	329,062
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 329,062
Funds Expended	329,062
Excess of Funds Advanced	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
111 Cash - Unrestricted	\$ 430,729	\$ 183,467	\$ 86,372	\$ -	\$ 10,629	\$ -	\$ 711,197
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	297,972	228,982	-	-	-	526,954
114 Cash - Tenant Security Deposits	44,587	-	44,957	2,100	-	-	91,644
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-
100 Total Cash	\$ 475,316	\$ 481,439	\$ 360,311	\$ 2,100	\$ 10,629	\$ -	\$ 1,329,795
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	808	-	-	-	-	-	808
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-
126 Accounts Receivable - Tenants	24,425	-	500	2,622	-	-	27,547
126.1 Allowance for Doubtful Accounts - Tenants	(15,759)	-	-	-	-	-	(15,759)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-
128 Fraud Recovery	-	5,911	-	-	-	-	5,911
128.1 Allowance for Doubtful Accounts - Fraud	-	(1,399)	-	-	-	-	(1,399)
129 Accrued Interest Receivable	166	-	-	-	-	-	166
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 9,640	\$ 4,512	\$ 500	\$ 2,622	\$ -	\$ -	\$ 17,274
131 Investments - Unrestricted	100,000	-	-	-	-	-	100,000
132 Investments - Restricted	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	165,421	-	43,409	9,464	-	-	218,294
143 Inventories	4,898	-	-	-	-	-	4,898
143.1 Allowance for Obsolete Inventories	(245)	-	-	-	-	-	(245)
144 Inter Program Due From	-	-	-	-	17,960	(17,960)	-
145 Assets Held for Sale	-	-	-	-	-	-	-
150 Total Current Assets	\$ 755,030	\$ 485,951	\$ 404,220	\$ 14,186	\$ 28,589	\$ (17,960)	\$ 1,670,016
161 Land	561,520	-	100,000	32,874	-	-	694,394
162 Buildings	17,843,392	120,000	7,395,393	1,626,660	-	-	26,985,445
163 Furniture, Equipment & Machinery - Dwellings	307,475	-	-	-	-	-	307,475
164 Furniture, Equipment & Machinery - Administration	693,560	21,211	22,683	-	-	-	737,454

Housing Authority of Lafourche Parish (LA080)

RACELAND, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
165 Leasehold Improvements	3,138,018	-	1,236,116	-	-	-	4,374,134
166 Accumulated Depreciation	(16,101,207)	(72,120)	(5,030,137)	(110,909)	-	-	(21,314,373)
167 Construction in Progress	-	-	1,374,875	-	-	-	1,374,875
168 Infrastructure	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 6,442,758	\$ 69,091	\$ 5,098,930	\$ 1,548,625	\$ -	\$ -	\$ 13,159,404
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	3,444,156	-	-	3,444,156
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-
174 Other Assets	-	-	-	560,741	-	(560,741)	-
176 Investments in Joint Ventures	-	-	-	-	-	-	-
180 Total Non-Current Assets	\$ 6,442,758	\$ 69,091	\$ 5,098,930	\$ 5,553,522	\$ -	\$ (560,741)	\$ 16,603,560
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 7,197,788	\$ 555,042	\$ 5,503,150	\$ 5,567,708	\$ 28,589	\$ (578,701)	\$ 18,273,576
311 Bank Overdraft	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	31,337	-	19,367	-	-	-	50,704
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	3,225	-	-	-	-	-	3,225
322 Accrued Compensated Absences - Current Portion	17,737	705	-	-	-	-	18,442
324 Accrued Contingency Liability	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	12,786	-	-	-	12,786
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	51,651	-	-	-	-	-	51,651
341 Tenant Security Deposits	44,587	-	44,957	2,100	-	-	91,644
342 Unearned Revenue	1,678	6,238	39,615	-	-	-	47,531
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	62,178	-	-	-	62,178
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-
345 Other Current Liabilities	-	5,125	-	-	-	-	5,125
346 Accrued Liabilities - Other	10,642	-	-	-	-	-	10,642
347 Inter Program - Due To	-	-	-	17,960	-	(17,960)	-

Housing Authority of Lafourche Parish (LA080)

RACELAND, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
348 Loan Liability - Current	-	-	-	-	-	-	-
310 Total Current Liabilities	\$ 160,857	\$ 12,068	\$ 178,903	\$ 20,060	\$ -	\$ (17,960)	\$ 353,928
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	3,531,114	-	-	-	3,531,114
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	560,741	-	-	(560,741)	-
354 Accrued Compensated Absences - Non Current	223,513	5,745	-	-	-	-	229,258
355 Loan Liability - Non Current	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 223,513	\$ 5,745	\$ 4,091,855	\$ -	\$ -	\$ (560,741)	\$ 3,760,372
300 Total Liabilities	\$ 384,370	\$ 17,813	\$ 4,270,758	\$ 20,060	\$ -	\$ (578,701)	\$ 4,114,300
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	6,442,758	69,091	1,505,638	1,548,625	-	-	9,566,112
511.4 Restricted Net Position	-	297,972	228,982	-	-	-	526,954
512.4 Unrestricted Net Position	370,660	170,166	(502,228)	3,999,023	28,589	-	4,066,210
513 Total Equity - Net Assets / Position	\$ 6,813,418	\$ 537,229	\$ 1,232,392	\$ 5,547,648	\$ 28,589	\$ -	\$ 14,159,276
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 7,197,788	\$ 555,042	\$ 5,503,150	\$ 5,567,708	\$ 28,589	\$ (578,701)	\$ 18,273,576

Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	1 Business Activities	ELIM	Total Enterprise Fund
70300 Net Tenant Rental Revenue	\$ 677,165	\$ -	\$ 955,861	\$ 58,590	\$ -	\$ (26,512)	\$ 1,665,104
70400 Tenant Revenue - Other	36,496	-	30,438	-	-	-	66,934
70500 Total Tenant Revenue	\$ 713,661	\$ -	\$ 986,299	\$ 58,590	\$ -	\$ (26,512)	\$ 1,732,038
70600 HUD PHA Operating Grants	733,589	1,449,612	-	-	-	-	2,183,201
70610 Capital Grants	385,278	-	-	-	-	-	385,278
70710 Management Fee	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	36,000	(36,000)	-
70700 Total Fee Revenue	\$ 1,118,867	\$ 1,449,612	\$ -	\$ -	\$ 36,000	\$ (36,000)	\$ 2,568,479
70800 Other Government Grants	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	1,172	129	3	-	-	-	1,304
71200 Mortgage Interest Income	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-
71400 Fraud Recovery	-	7,906	-	-	-	-	7,906
71500 Other Revenue	124,324	129	76,130	1,850	7,875	(3,000)	207,308
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	62	-	-	-	62
70000 Total Revenue	\$ 1,958,024	\$ 1,457,776	\$ 1,062,494	\$ 60,440	\$ 43,875	\$ (65,512)	\$ 4,517,097
91100 Administrative Salaries	237,441	69,196	45,647	-	14,200	-	366,484
91200 Auditing Fees	17,900	6,000	10,500	-	-	-	34,400
91300 Management Fee	-	-	69,481	12,000	-	(36,000)	45,481
91310 Book-keeping Fee	-	-	-	-	-	-	-
91400 Advertising and Marketing	704	-	3,941	-	-	-	4,645
91500 Employee Benefit contributions - Administrative	88,245	35,358	15,309	-	1,086	-	139,998
91600 Office Expenses	48,774	22,204	30,998	1,034	-	-	103,010
91700 Legal Expense	-	-	-	-	-	-	-
91800 Travel	18,284	780	5,089	-	-	-	24,153
91810 Allocated Overhead	-	-	-	-	-	-	-

Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
91900 Other	22,048	413	-	-	-	-	22,461
91000 Total Operating - Administrative	\$ 433,396	\$ 133,951	\$ 180,965	\$ 13,034	\$ 15,286	\$ (36,000)	\$ 740,632
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
92400 Tenant Services - Other	1,469	-	3,679	-	-	-	5,148
92500 Total Tenant Services	\$ 1,469	\$ -	\$ 3,679	\$ -	\$ -	\$ -	\$ 5,148
93100 Water	80,120	-	30,950	-	-	-	111,070
93200 Electricity	39,155	-	26,287	52	-	-	65,494
93300 Gas	42,967	-	-	-	-	-	42,967
93400 Fuel	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-
93600 Sewer	10,848	-	-	-	-	-	10,848
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-
93000 Total Utilities	\$ 173,090	\$ -	\$ 57,237	\$ 52	\$ -	\$ -	\$ 230,379
94100 Ordinary Maintenance and Operations - Labor	241,825	-	78,006	14,790	-	-	334,621
94200 Ordinary Maintenance and Operations - Materials and Other	147,670	-	92,755	1,049	-	-	241,474
94300 Ordinary Maintenance and Operations Contracts	51,391	-	103,796	4,547	-	(3,000)	156,734
94500 Employee Benefit Contributions - Ordinary Maintenance	92,351	-	26,164	6,245	-	-	124,760
94000 Total Maintenance	\$ 533,237	\$ -	\$ 300,721	\$ 26,631	\$ -	\$ (3,000)	\$ 857,589
95100 Protective Services - Labor	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	60,418	-	-	-	-	-	60,418
95300 Protective Services - Other	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-
95000 Total Protective Services	\$ 60,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,418
96110 Property Insurance	143,989	-	99,401	6,205	-	-	249,595
96120 Liability Insurance	20,001	-	-	1,197	-	-	21,198

Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
96130 Workmen's Compensation	36,018	3,649	-	-	-	-	39,667
96140 All Other Insurance	104,613	-	-	13,375	-	-	117,988
96100 Total Insurance Premiums	\$ 304,621	\$ 3,649	\$ 99,401	\$ 20,777	\$ -	\$ -	\$ 428,448
96200 Other General Expenses	-	2,141	-	-	-	-	2,141
96210 Compensated Absences	29,895	8,944	-	-	-	-	38,839
96300 Payments in Lieu of Taxes	51,651	-	-	-	-	-	51,651
96400 Bad debt - Tenant Rents	39,598	-	-	-	-	-	39,598
96500 Bad debt - Mortgages	-	-	-	-	-	-	-
96600 Bad debt - Other	-	383	-	-	-	-	383
96800 Severance Expense	-	-	-	-	-	-	-
96000 Total Other General Expenses	\$ 121,144	\$ 11,468	\$ -	\$ -	\$ -	\$ -	\$ 132,612
96710 Interest of Mortgage (or Bonds) Payable	-	-	154,609	-	-	-	154,609
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ 154,609	\$ -	\$ -	\$ -	\$ 154,609
96900 Total Operating Expenses	\$ 1,627,375	\$ 149,068	\$ 796,612	\$ 60,494	\$ 15,286	\$ (39,000)	\$ 2,609,835
97000 Excess of Operating Revenue over Operating Expenses	\$ 330,649	\$ 1,308,708	\$ 265,882	\$ (54)	\$ 28,589	\$ (26,512)	\$ 1,907,262
97100 Extraordinary Maintenance	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	7,500	-	-	7,500
97300 Housing Assistance Payments	-	1,175,293	-	-	-	(26,512)	1,148,781
97350 HAP Portability-In	-	-	-	-	-	-	-
97400 Depreciation Expense	815,511	4,547	228,967	49,293	-	-	1,098,318
97500 Fraud Losses	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-
90000 Total Expenses	\$ 2,442,886	\$ 1,328,908	\$ 1,025,579	\$ 117,287	\$ 15,286	\$ (65,512)	\$ 4,864,434
10010 Operating Transfer In	108,988	-	-	-	-	-	108,988

Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
10020 Operating transfer Out	(108,988)	-	-	-	-	-	(108,988)
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (484,862)	\$ 128,868	\$ 36,915	\$ (56,847)	\$ 28,589	\$ -	\$ (347,337)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 7,298,280	\$ 408,361	\$ 1,195,477	\$ 5,604,495	\$ -	\$ -	\$ 14,506,613
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ 239,257	\$ -	\$ -	\$ -	\$ -	\$ 239,257
11180 Housing Assistance Payments Equity	\$ -	\$ 297,972	\$ -	\$ -	\$ -	\$ -	\$ 297,972
11190 Unit Months Available	3,260	3,252	1,344	84	-	-	7,940
11210 Number of Unit Months Leased	3,177	2,595	1,314	79	-	-	7,165
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	367,789	-	-	-	-	-	367,789
11630 Furniture & Equipment - Dwelling Purchases	9,552	-	-	-	-	-	9,552
11640 Furniture & Equipment - Administrative Purchases	7,937	-	-	-	-	-	7,937
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2017

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes No

Are significant deficiencies that are not considered to be material weaknesses identified?

Yes None Reported

Is noncompliance that could have a material effect on the financial statements identified?

Yes No

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified?

Yes No

Are significant deficiencies that are not considered to be material weaknesses identified?

Yes None Reported

Type of report issued on compliance with requirements applicable to each major program:

Unmodified

Are there any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance?

Yes No

Identification of major programs:

Non-cash Federal Assistance – HUD National Act,
Section 221 (d)(4)

CFDA No.

14.135

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

Is the auditee identified as a low-risk auditee?

Yes No

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2017

Section II: Financial Statement Findings:

Prior Year Findings and Questioned Costs

None

Current Year Findings and Questioned Costs

None

Section III: Federal Award Findings and Questioned Costs:

Prior Year Findings and Questioned Costs

None

Current Year Findings and Questioned Costs

None

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE EXECUTIVE
DIRECTOR

YEAR ENDED SEPTEMBER 30, 2017

EXPENDITURE PURPOSE

Salary	<u>\$ 150,000</u>
Benefits - Insurance	<u>15,350</u>
Benefits - Retirement	<u>12,000</u>
Registration Fees	<u>625</u>
Conference Travel	<u>4,380</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 182,355</u></u>

Agency Head: Beryl Pitre, Executive Director

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*.

CITY PLACE II HOUSING CORPORATION, INC.
PROJECT NO. 064-35326

RACELAND, LOUISIANA

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

YEAR ENDED SEPTEMBER 30, 2017

EXPENDITURE PURPOSE

Salary	\$ 0
Benefits - Insurance	0
Benefits - Retirement	0
Registration Fees	0
Conference Travel	0
Total Compensation, Benefits and Other Payments	<u>\$ 0</u>

Agency Head: Beryl Pitre, Chief Executive Officer

Basis of Presentation:

The above Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer 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 ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of The Housing Authority of Lafourche Parish and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by The Housing Authority of Lafourche Parish and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2016 through September 30, 2017. The Authority's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

See Addendum A following this Report for a description of the SAUPs.

The associated results and conclusions are as follows:

Written Policies and Procedures

The Authority was unable to provide written policies which specifically addressed how vendors are added to the Vendor List (Purchasing). The Authority's Receipts policy lacked specifications regarding preparing deposits. The Ethics written policy was complete, except it failed to address the requirement for employees to annually attest through signature verification (that they read the Authority's Ethics Policy). The Authority did not provide a written policy with respect to acquiring debt. All other Written Policies and Procedures business functions outlined in Addendum A (attached) were addressed.

Board

Board meetings were held regularly. Actual-to-budget monthly comparisons were not consistently referenced. However, 'financial reports' were noted regularly throughout the minutes of the board meetings.

Bank Reconciliations

Bank reconciliations were complete and contained the required approvals.

Collections

The Authority does not accept cash, and accepts non-cash payments at one centralized location. Receipts are deposited and posted daily, and reconciled by the Authority's Fee Accountant. Entity documentation does not address all controls implemented and executed over collections.

Disbursements

Purchases were initiated using a purchase order system and required proper approvals prior to payments. Entity documentation addresses appropriate controls over disbursements.

Credit Cards

Statements contained appropriate approvals (including appropriate segregation of duties) and charges on statements complied with the disbursement policies. No interest or late fee charges were noted.

Travel and Expense Reimbursement

Travel was for business purposes and was in compliance with the Authority's travel policy and GSA rate requirements. Sufficient documentation was maintained.

Contracts

Contracts supported the service arrangements and were in accordance with the Authority's procurement policies and legal requirements. No amendments were noted. The Authority followed correct legal procedures for entering contracts and received board approval. Applicable invoices were appropriately supported with the required documentation and were in accordance with contract terms.

Payroll and Personnel

Checks contained proper pay rates, daily attendance and related payroll taxes and retirement contributions. The Authority maintains documented leave records and supervisory approvals for leave. The Authority did not have any terminations during the agreed-upon-procedures activity period.

Ethics

Authority management stated that Authority personnel attended an Ethics conference hosted by the Lafourche Parish District Attorney's Office. However, the Authority was unable to provide written evidence of attendance at this October 2016 conference. The Authority was able to provide evidence that Authority personnel attended the October 2017 conference. No ethics violations were reported to management during the fiscal year.

Debt Service

The Authority maintains sufficient supporting documentation for all applicable debt. Debt service payments were made as scheduled. Additionally, debt service reserves were maintained as required by debt service covenants. No additional debt was issued during the fiscal year.

Other

Per inquiry of client management, no funds were misappropriated during the fiscal year. The results of the independent audit procedures performed did not disclose any misappropriations.

The notice required by R.S. 24:523.1 was appropriately posted on the premises.

See Addendum B following this Report for the Authority's Corrective Action Plan.

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 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.

The purpose of this report is 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.

Aprio, LLP

Birmingham, Alabama
March 19, 2018

ADDENDUM A

Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures

Introduction and General Comments

The Louisiana Legislative Auditor (LLA) has prescribed statewide agreed-upon procedures (AUPs) below, which are intended to represent a minimum level of additional work to be performed at those local entities (local governments and quasi-public organizations, including nonprofits) that meet the legal requirement to have an audit under the Audit Law. Those local entities that do not meet the legal requirement to have an audit under the Audit Law are exempt from performing these AUPs. State entities that are included in the Comprehensive Annual Financial Report of the State of Louisiana, or local entities subject to Act 774 of 2014 (St. Tammany Parish), are likewise exempt from the AUPs below. **These AUPs will be effective beginning with those entities that have a June 30, 2017, fiscal year end.**

The AUPs are to be performed under the AICPA attest standards, and the AUP report must be attached to the audit report that is submitted to the Legislative Auditor's office (i.e. one Adobe pdf file submitted to the LLA rather than two). The AUPs are required to be performed by the same firm that performs the annual audit; accordingly, a separate "engagement approval form" for the statewide AUP engagement is not required.

The practitioner should consider these AUPs to be "complementary" rather than "additive" as they may duplicate existing audit procedures. For example, if the AUP below indicates that 25 random transactions should be selected and the practitioner would otherwise plan to test 40 random transactions as part of the entity's audit, the practitioner may use 25 of the 40 transactions for both the audit and the AUP engagement. Also, the scope of the procedures applies to the primary reporting entity and is not required to be extended to discretely presented component units of the entity.

All exceptions are to be included in the AUP report with management's responses/corrective actions. Management may either prepare a single overall response to the AUP report or may respond after each procedure.

If the entity employs one or more internal auditors; the practitioner documents reliance upon the internal audit function as part of the entity's audit; and the internal auditor performs one or more of the specific procedures identified below (internal auditor is not required to perform procedures under the attest standards), the practitioner does not have to include those specific procedures as part of the scope of the AUP engagement or in the AUP report. In that situation, the practitioner should perform the remaining AUPs under the attest standards and document in the AUP report. The practitioner must also include a copy of the internal auditor's procedures performed and exceptions noted when submitting the audit report and AUP report to the LLA. In this situation,

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all three reports should be submitted to the LLA as one Adobe pdf file, and all three reports will be issued by the LLA as public documents.

Please note that the results of the AUPs do not change the practitioner’s separate responsibility to report significant deficiencies, material weaknesses, material noncompliance, etc., as part of the regular audit engagement. However, the practitioner should not include the AUP exceptions or internal auditor’s exceptions (or a reference to the exceptions) in the audit report’s schedule of findings, unless an AUP or internal audit exception rises to the level of a significant deficiency or material weakness and is included as a finding for purposes of the audit.

To avoid creating an undue burden on practitioners, the AUPs may be performed for a 12-month “fiscal period” that does not coincide with the entity’s “fiscal year”, as long as the 12-month fiscal period is no more than 3 months prior to the end of the entity’s fiscal year. For example, the practitioner may perform AUPs for the fiscal period April 1, 2016 through March 31, 2017 for an entity with a fiscal year ending June 30, 2017. All AUPs below will reference fiscal period to mean the 12-months covered by the AUPs.

For nonprofit entities, only those AUPs relevant to public monies (and only to the extent that the AUPs are applicable) are required to be included in the scope of the AUP engagement. For example, if a nonprofit receives \$10 million in non-public funds and also receives \$600,000 in public funds, only the \$600,000 would be subject to these AUPs if the funds are not otherwise commingled. In this example, if the nonprofit did not use the \$600,000 in public funds for payroll or travel expenses, the portions of the AUPs relating to these areas are not required to be included in the scope of the AUP engagement or report.

Additional instructions concerning engagement approvals, report submission protocols, and the availability of forms, examples, and tools related to these procedures will be communicated as they are finalized.

Written Policies and Procedures

1. Obtain the entity’s written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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- c) ***Disbursements***, including processing, reviewing, and approving
- d) ***Receipts***, including receiving, recording, and preparing deposits
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

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Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

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- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

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11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
 - a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)

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- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction’s detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity’s written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management’s representation that the listing or general ledger is complete.
18. Obtain the entity’s written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

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- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management’s representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

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- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

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Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management’s representations in the procedures above, report the nature of each exception.

ADDENDUM B

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED-UPON PROCEDURES

CORRECTIVE ACTION PLAN

SEPTEMBER 30, 2017

Written Policies and Procedures

The Authority will update its written policies to include adding vendors to the Vendor List, the depositing of Receipts, Debt Service procedures and the annual signature attestation with respect to reading the Ethics Policy.

Board

The Authority will review Actual-to-Budget operating results regularly with its Board.

Collections

The Authority will update its written policies to include procedures regarding making deposits.

Ethics

The Authority will attain, and maintain evidence of employee attendance at each Ethics conference attended.