HOUSING AUTHORITY OF JEFFERSON PARISH

MARRERO, LOUISIANA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Housing Authority of Jefferson Parish
Marrero, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of Jefferson Parish (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 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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions 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, the *Louisiana Governmental Audit Guide*, 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 entity'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 entity'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 opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Housing Authority of Jefferson Parish as of September 30, 2017, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, and schedule of contributions – retirement plan and the related notes to the required supplementary information on pages 4 through 9 and 33 through 35 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The HUD financial data schedules and statement of certification of actual modernization costs completed are presented for the purpose of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for the purpose of additional analysis as required by Louisiana Revised Statute 24:513(A)(3) and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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The HUD financial data schedules, statement of certifications of actual modernization costs completed, schedule of compensation, benefits, and other payments to agency head, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the HUD financial data schedules, statement of certifications of actual modernization costs completed, schedule of compensation, benefits, and other payments to agency head, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering the Housing Authority of Jefferson Parish's internal control over financial reporting and compliance.

September 8, 2020
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION (PART 1)

Our discussion and analysis of the Housing Authority of Jefferson Parish's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended September 30, 2017. This discussion and analysis does not include the component unit.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

USING THIS ANNUAL FINANCIAL REPORT

The Authority's annual financial report consists of financial statements that report information about the Authority's most significant programs, such as the Housing Authority's Public Housing, Capital Fund Program, and Housing Choice Voucher Program.

An outline of the annual financial report's content is as follows:

I. Independent Auditors' Report
II. Required Supplementary Information (Part 1)
III. Basic Financial Statements
IV. Notes to the Financial Statements
V. Required Supplementary Information (Part 2)
VI. Other Supplemental Information
VII. Single Audit Section

Our auditor has provided assurance in their independent auditors' report on pages 1 through 3 that the basic financial statements are fairly stated. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the annual financial report.

FINANCIAL HIGHLIGHTS

Total spending for all programs was approximately $41.7 million for the year ended September 30, 2017. Housing assistance payments (HAP) to landlords on behalf of program participants was approximately $36.5 million or 88% of total spending. Total operating revenue was approximately $41.0 million, of which tenant-related income comprised $564,000 or 1.4%. Subsidies and grants from the U.S. Department of Housing and Urban Development ("HUD") comprised the balance (98.6%) of operating revenue.

Public Housing Authorities' (PHAs) annual budgets for 2017 are based on mandated procedures that serve to determine every PHA's total and final funding amount. The funding is based on a calendar year. Operating Fund Subsidy decreased from $644,572 in FY 2016 to $595,682 in FY 2017, a 7.6% decrease from the prior year, mainly due to the change in pro-ration from the prior year.

The Authority served as contract administrator for a project-based program known as Jefferson Place Apartments. The Jefferson Place Apartments did not recover from the 2005 hurricane disasters and its tenants were issued tenant-based vouchers and the project-based nature of its subsidy was terminated. While the Authority no longer serves as contract administrator for this property, the general ledger of this program must remain open as there are funds in the Jefferson Place Apartments bank account which cannot be co-mingled with any other accounts due to the funding source. Reporting requirements are and will be applicable for Jefferson Place Apartments until the funding source instructs the Authority on the disposition of the remaining funds and the account is closed.

The Disaster Voucher Programs (DVP, DHAP Katrina and DHAP IKE) were created to aid those affected by Hurricanes Katrina and Ike. As these disaster programs are closed, HUD approved some of these vouchers for conversion to the Housing Choice Voucher Program. In cases when the disaster program's voucher was not converted, the participants were eligible to apply for a Housing Choice Voucher Program voucher. The last activity for DHAP Katrina and DVP Programs was October 2009 and October 2010, respectively. The last activity for DHAP Ike was in March of 2012. HUD has conducted funding reconciliations for each program. The accounts of these programs will remain as long as there are funds in their respective bank accounts. Remaining funds of the DVP Program were transferred to the HCV Program upon closing of the DVP Program in 2013. The use of the remaining funds of the DHAP Katrina and DHAP Ike Programs is restricted to purposes defined by HUD, in accordance with the applicable Annual Contributions Contract and other HUD guidelines.

Additionally, in January 2007, HUD approved the Authority to take part in the Section 901 Fungibility portion of the Housing Choice Voucher Program in order to rehabilitate and improve public housing, develop more affordable housing and expand family self-sufficiency services. The Authority was approved for a total award of $13,847,380 of fungible HAP funds to be used by December 2012. Capital improvements of public housing were completed, and all direct tenant related services were provided through December 31, 2012 as per HUD approved plan. Sales proceeds remain in the 901 program account. The only remaining use of those funds prior to the return of any unused 901 Fungibility funds would be for warranty work on homes built and sold under this program. At the close of FYE 2017, the Housing Authority was awaiting HUD instructions regarding the disposition of any remaining 901 funds.

Residential Housing Development Corporation (RHDC) is a non-profit entity established by resolution of the Authority and is a component unit of the Authority. Presently the Board of the Authority serves as the Board of the RHDC. There are no projects at this time.

FINANCIAL ANALYSIS

The Authority's net position was approximately \$6.9 million at September 30, 2017.

The Authority uses sub-funds to help oversee and demonstrate adequate management of money for particular purposes. Separate sub-funds are established to account for each program. The following analysis focuses on the net position and the change in net position of the Authority as a whole, excluding the component unit.

Condensed Statement of Net Position – Proprietary Fund

	09/30/17	09/30/16
Current assets	\$ 5,078,010	\$ 8,666,063
Capital assets, net	2,939,986	3,126,705
Total assets	8,017,996	11,792,768
Total deferred outflows of resources	153,110	202,025
Current liabilities	1,037,127	4,943,487
Noncurrent liabilities	228,295	252,769
Total liabilities	1,265,422	5,196,256
Total deferred inflows of resources	25,297	25,164
Net position		
Net investment in capital assets	2,939,986	3,126,705
Restricted for: Program Services	483,278	410,773
Unrestricted	3,457,123	3,235,895
Total net position	\$ 6,880,387	\$ 6,773,373

Current assets decreased \$3.6 million or 41.4% mainly due to payment of HUD payable of \$4.3 million. Capital assets decreased by \$186,700 (6.0%) from the prior year, largely due to current year depreciation expense. The aggregation of these factors affecting current assets and capital assets resulted in decrease in total assets of \$3.8 million (32.0%).

Total liabilities decreased by approximately \$3.9 million (75.6%) during the current year which is primarily due to payment of HUD payable.

The decrease in deferred outflows of resources and increase in deferred inflows of resources are due changes in pension liabilities; particularly, the deferred outflow changed primarily due to differences between projected and actual pension investment earnings.

There was a decrease in investment in capital assets of \$186,700 (6.0%) because of the impact of current year depreciation expense. The increase of \$72,500 in net position restricted for program services and increase of \$221,200 in unrestricted net position are largely due to normal operations.

Condensed Statement of Revenues, Expenditures and Changes in Net Position - Proprietary Fund

	09/30/17	09/30/16
Operating revenues:		
Charges for services	$ 564,083	$ 622,652
Operating grants	40,339,595	38,429,761
Non-operating revenues:		
Capital grants and contributions	13,858	141,280
Interest earnings	7,351	3,327
Portability income	648,629	703,362
Other non-operating receipts	208,333	95,969
Total revenues	41,781,849	39,996,351
Operating expenses		
Administration	3,102,612	3,412,148
Tenant services	119,187	101,431
Utilities	252,764	200,639
Ordinary maintenance and operations	452,841	406,451
Protective services	24,570	23,040
General expenses	393,495	277,021
Housing assistance	36,454,006	34,361,658
HAP portability	683,662	653,507
Depreciation	191,698	179,672
Total operating expenses	41,674,835	39,615,567
Change in net position	$ 107,014	$ 380,784
Net position, ending	$ 6,880,387	$ 6,773,373

Total revenues increased by approximately $1.7 million or 4.3%, and total operating expenses increased by $2.0 million or 5.1%. The increase in revenues is primarily attributed to the increase in HUD operating grants, primarily Housing Choice Voucher funding for Housing Assistance Payments. The reason for the increase in operating expenses is largely attributed to an increase in Housing Assistance Payments.

The Authority's net position increased by $107,000. The increase is primarily attributed to normal operations.

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At September 30, 2017, the Authority had approximately $8.3 million invested in a broad range of capital assets including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of approximately $186,700 or 6.0% from last year. The majority of the decrease is due to current year depreciation expense. For more information see Note 4 in the notes to the financial statements.

	09/30/17	09/30/16
Land	$ 1,546,294	$ 1,546,294
Building & improvements	5,330,520	5,330,520
Furniture, fixtures & machinery	275,748	270,769
Infrastructure	1,116,057	1,116,057
Vehicles	15,562	15,562
	8,284,181	8,279,202
Less accumulated depreciation	(5,344,195)	(5,152,497)
Capital assets, net of depreciation	$ 2,939,986	$ 3,126,705

Pensions

Through GASB Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27," the Authority is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective outflows of resources and deferred inflows of resources related to pensions. At September 30, 2017, the Authority reported $130,456 for its proportionate share of net pension liability, $153,110 for deferred outflow of resources and $25,297 for deferred inflows of resources. See Note 6 to the basic financial statements for further discussion of the pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget via appropriations rather than by local economic conditions. During FYE 2017, HUD pro-rated the Conventional Housing Operating Fund Subsidy to 93.1% of the calculated subsidy eligibility. In FYE 2017, HUD pro-rated the HCV Administrative Fees by an average of 77.0%. These pro-rations of subsidy and administrative fees had a negative impact on the net operating income of the Authority.

Management Program	**Frequency of Budgets**
PHA Owned Housing	Annual
Capital Projects	Annual
Housing Choice Voucher Program	Annual
Mainstream 5 Yr.	Annual

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including the State of Louisiana, declared a state of emergency. There has been no immediate impact to the Authority's operations, but it is anticipated that the effects of the pandemic will last for some time. Future potential impacts may include the inability of tenants to continue making rental payments as a result of job loss or other pandemic related issues.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Mrs. Teri Rouzan, Interim Executive Director, Housing Authority of Jefferson Parish, 1718 Betty Street, Marrero, Louisiana 70072.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government	Component Unit
	Business-Type Activities- Enterprise Fund	Residential Housing Development Corporation
ASSETS:		
Cash and cash equivalents	$ 4,167,542	$ 3,601
Receivables:		
Tenant receivable, net of allowance for doubtful accounts	1,922	-
Other receivables	731	-
Prepaid expenses	122,948	-
Restricted cash and cash equivalents	784,867	-
Capital assets not being depreciated	1,546,294	26,362
Capital assets being depreciated, net of accumulated depreciation	1,393,692	-
Total assets	8,017,996	29,963
DEFERRED OUTFLOWS OF RESOURCES:		
Pensions	153,110	-
Total deferred outflows of resources	153,110	-
LIABILITIES:		
Accounts payable	735,954	-
Accrued expenses	67,847	-
Due to HUD	132,229	-
Advances from contracts	1,201	-
Liabilities payable from restricted assets:		
Deposits held in trust	21,825	-
Noncurrent liabilities:		
Due within one year	78,071	-
Due in more than one year	97,839	-
Other noncurrent liabilities due in more than one year:		
Net pension liability	130,456	-
Total liabilities	1,265,422	-
DEFERRED INFLOWS OF RESOURCES:		
Pensions	25,297	-
Total deferred inflows of resources	25,297	-
NET POSITION:		
Net investment in capital assets	2,939,986	26,362
Restricted for:		
Program services	483,278	-
Unrestricted	3,457,123	3,601
Total net position	$ 6,880,387	$ 29,963

The accompanying notes are an integral part of this statement

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

	Primary Government	Component Unit
	Business-Type Activities- Enterprise Fund	Residential Housing Development Corporation
OPERATING REVENUES:		
Charges for services:		
Dwelling rental	$ 510,956	$ -
Other tenant revenues	53,127	-
Operating grants and contributions:		
HUD PHA operating grants	40,122,767	-
HUD other operating grants	212,149	-
Other operating grants and contributions	4,679	-
Total operating revenues	40,903,678	-
OPERATING EXPENSES:		
Administration	3,102,612	10
Tenant services	119,187	-
Utilities	252,764	-
Ordinary maintenance and operations	452,841	-
Protective services	24,570	-
General expense	393,495	-
Housing assistance	36,454,006	-
HAP portability	683,662	-
Depreciation expense	191,698	-
Total operating expenses	41,674,835	10
Net operating (loss)	(771,157)	(10)
NON-OPERATING REVENUES (EXPENSES):		
Capital grants and contributions	13,858	-
Other non-operating receipts	208,333	-
Income portability	648,629	-
Interest income	7,351	4
Total non-operating revenues	878,171	4
Change in net position	107,014	(6)
Net position - beginning	6,773,373	29,969
Net position - ending	$ 6,880,387	$ 29,963

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Primary Government	Component Unit
	Business-Type Activities- Enterprise Fund	Residential Housing Development Corporation
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Rental receipts	$ 504,642	$ -
Federal grant income	40,369,596	-
Other receipts	98,062	-
Payments to vendors and others	(3,330,326)	(10)
Payments to employees	(658,476)	-
Housing assistance payments	(41,360,176)	-
Net cash (used in) operating activities	(4,376,678)	(10)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Non-operating revenues	856,962	-
Net cash from non-capital financing activities	856,962	-
CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contributions	13,858	-
Acquisition and construction of capital assets	(4,979)	-
Net cash from capital and related financing activities	8,879	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and investment income	7,351	4
Net cash from investing activities	7,351	4
Net change in cash and cash equivalents	(3,503,486)	(6)
Cash and cash equivalents at October 1, 2016	8,455,895	3,607
Cash and cash equivalents at September 30, 2017	$ 4,952,409	$ 3,601

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Primary Government	Component Unit
	Business-Type Activities- Enterprise Fund	Residential Housing Development Corporation
Reconciliation of operating (loss) to net cash (used in) operating activities:		
Operating (loss)	$ (771,157)	$ (10)
Adjustments to reconcile operating (loss) to net cash used in operating activities:		
Depreciation	191,698	-
Adjustment for allowance for bad debt	13,501	-
Pension expense	32,488	-
(Increase) decrease in assets:		
Tenant receivable	(6,314)	-
Accounts receivable - HUD other projects	30,001	-
Other receivable	44,935	-
Prepaid expenses	2,444	-
Increase (decrease) in liabilities:		
Accounts payable	313,844	-
Accrued expenses	(50,206)	-
Due to HUD	(4,223,449)	-
Advances from contracts	941	-
Deposits held in trust	49,215	-
Compensated absences	(4,619)	-
Net cash (used in) operating activities	$ (4,376,678)	$ (10)
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents - unrestricted	$ 4,167,542	$ 3,601
Cash and cash equivalents - restricted	784,867	-
Totals	$ 4,952,409	$ 3,601

The accompanying notes are an integral part of this statement

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Housing Authority of Jefferson Parish (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Authority was established on April 16, 1953 pursuant to a resolution of the Police Jury of Jefferson Parish and is chartered as a political subdivision under the laws of the State of Louisiana (LSA-R.S. 40:391). The Authority was created to administer funds, through the issuance of bonds and U.S. Department of Housing and Urban Development (HUD) annual contribution contracts to promote decent, safe and sanitary housing for lower-income families that cannot afford standard private housing.

The Authority has a nine-member appointed Board of Commissioners and is headed by an Executive Director. The Board has the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters.

As of September 30, 2017, the Authority had the following number of units under its programs:

Management Program	Grant ID No.	Number of Units
PHA owned housing	FW-1331	200
Capital Fund		N/A
Section 8 Programs	FW-2054	
Housing Choice Vouchers		4,735
Mainstream 5 Year		100
Special allocations-		
Jefferson Place Apartments		N/A

Under the provisions of GASB Statement No. 14, the Authority is considered a primary government. The Authority has a component unit, Residential Housing Development Corporation (RHDC), which is reported as a discretely presented component unit.

In determining how to define the reporting entity, management has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

These criteria include manifestation of oversight responsibility, including financial accountability, appointment of voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

RHDC is included in the reporting entity because the Authority appoints the voting majority of RHDC's governing Board of Commissioners and is able to impose its will. The purpose of RHDC is to acquire, develop, and foster the improvement of dwelling units for the benefit of certain qualified recipients.

The Authority has not entered into joint ventures with other entities during the 2017 fiscal year.

Any evidence of indebtedness is solely the obligation of the Authority and is not an obligation of the Parish of Jefferson or the State of Louisiana.

Governmental-Wide Financial Statements

The Authority's basic financial statements consist of proprietary statements, including a statement of net position, a statement of revenues, expenditures and changes in net position and a statement of cash flows.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The proprietary statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Shared revenues are recognized when the provider government recognized the liability to the Authority. Grants are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

State appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. For financial purposes, the Authority reports all of its primary government operations as a single business activity in a single proprietary enterprise fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Authority has elected not to follow subsequent private-sector guidance.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The Authority does not use encumbrance accounting.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are HUD provided federal grants and rent payments. The major operating expenses of the Authority include housing assistance payments, administrative expenses, ordinary maintenance and operations expenses, and general expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets

The Authority prepares budgets for the Conventional, Capital Fund, Section 8 and Main Stream 5 Year programs. The Board of Commissioners approves the Conventional and Capital Fund budgets. HUD approves the Capital Fund, Section 8 and Main Stream 5 Year program budgets. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

Cash and Cash Equivalents

For purposes of the statement of net position, cash includes all demand deposit and interest bearing demand deposit accounts of the Authority. For the purposes of the proprietary funds statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. In accordance with Louisiana Statutes, the Authority maintains deposits at those depository banks authorized by the Authority. All such depositories are members of the Federal Reserve System.

Investments

Investments are limited by R.S 33:2955 and the Authority's investment policy. If the original maturities of investments exceed three months, they are classified as investments for financial reporting purposes. If the original maturities are three months or less, they are classified as cash equivalents.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Authority's statement of net position.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Restricted cash on the statement of net position for the Authority represents cash for the Family Self-Sufficiency Program, the Housing Choice Voucher Program, and certain other programs. Restricted cash is more fully detailed in Note 3. A corresponding amount of net position is restricted as these monies are legally segregated for a specific future use.

Receivables

Accounts receivable from tenants are stated at net realizable value as required by GAAP. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of September 30, 2017, the amount of $16,463 was recorded as the allowance for doubtful accounts from tenants.

Capital Assets and Depreciation

Capital assets are recorded at historical cost and are depreciated over their estimated useful lives. Capital assets include all items costing over $1,000. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Building and improvements	40
Furniture, fixtures, and machinery	3-7
Infrastructure	6
Vehicles	5

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Authority has one item that qualifies for reporting in this category, deferred amounts related to pensions.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the classified employee is not paid for them if not used by his/her retirement or termination date.

Advances from Contracts

The Authority classifies as advances from contracts certain revenues under temporary programs that require a refund of any grants that are not expended during the period of the grant.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Parochial Employees' Retirement System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Equity Classifications

In the government-wide proprietary financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Net Position

Restrictions, when appropriate, represent those portions of net position that are restricted in use by external parties or by law for a specific future use. There were restrictions of net position in the amount of $483,278 as of September 30, 2017 for programs services.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds during the reporting period. Actual results could differ from those estimates.

Date of Management's Review

Subsequent events have been evaluated through September 8, 2020, the date the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS

At September 30, 2017 the carrying amount of the Authority's bank deposits was $4,952,409. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

Cash and deposits are categorized into three categories of credit risk. Category 1 includes deposits covered by federal depository insurance or by collateral held by the Authority or its agent, in the Authority's name. Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the Authority's name. Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Authority's name, and deposits which are uninsured or uncollateralized.

(2) CASH AND CASH EQUIVALENTS (CONTINUED)

At September 30, 2017, the bank balance was $5,038,004. Of the bank balance, $250,000 was covered by federal depository insurance (Category 1). In compliance with State laws, the remaining balance of $4,788,004 was secured by bank owned securities specifically pledged to the Authority and held by an independent custodian bank jointly in the name of the Authority and the depository bank (Category 2). Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand. Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. At September 30, 2017, there were no deposits held by the Authority that were exposed to custodial credit risk representing uninsured deposits collateralized by a pledging bank's trust department but not in the Authority's name.

State statutes authorize the Authority to invest in the following types of securities: (1) fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana; (2) direct obligations of the U.S. Government; (3) obligations of U.S. Government agencies that are deliverable on the Federal Reserve System; and (4) repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

The Authority's short-term investments are stated at cost, which approximates market and are classified as cash equivalents in accordance with the Authority's policy discussed in Note 1. There were no short-term investments as of September 30, 2017.

(3) RESTRICTED CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, 2017 are restricted as follows:

Description	Amount
Family Self-Sufficiency Program	$ 106,541
Housing Choice Voucher Program	192,032
Other Programs	486,294
	$ 784,867

(4) CAPITAL ASSETS

A summary of changes in proprietary fund type capital assets as of September 30, 2017 is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,546,294	$ -	$ -	$ 1,546,294
Total capital assets not being depreciated	1,546,294	-	-	1,546,294
Capital assets, being depreciated:				
Building and improvements	5,330,520	-	-	5,330,520
Furniture, fixtures, and machinery	270,769	4,979	-	275,748
Infrastructure	1,116,057	-	-	1,116,057
Vehicles	15,562	-	-	15,562
Total capital assets being depreciated	6,732,908	4,979	-	6,737,887
Less accumulated depreciation	(5,152,497)	(191,698)	-	(5,344,195)
Total capital assets being depreciated, net	1,580,411	(186,719)	-	1,393,692
Total capital assets, net	$ 3,126,705	$ (186,719)	$ -	$ 2,939,986

Depreciation expense was $191,698 for the year ended September 30, 2017.

(5) COMPENSATED ABSENCES

A summary of compensated absences is as follows:

	Balance 09/30/16	Net Increase (Decrease)	Balance 09/30/17	Due Within One Year
Compensated absences	$ 27,830	$ (4,619)	$ 23,211	$ 11,571

(6) PENSION PLAN

Plan Description

The Authority has adopted "Parochial Employees' Retirement System of Louisiana Plan A" (the System), a public cost-sharing multiple employer defined benefit pension plan conforming with Chapter 5 Title 11 of the Louisiana Revised Statutes of 1950 (R.S. 11:1901) operated by the Parochial Employees' Retirement System Board of Trustees. Act 584 of 2006 implemented a new plan on benefits for employees hired January 1, 2007 and thereafter. The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Any member of Plan A can retire providing he/she meets one of the following criteria: (1) for employees hired prior to January 1, 2007: (a) any age with 30 or more years of creditable service; (b) age 55 with 25 years of creditable service; (c) age 60 with a minimum of 10 years of creditable service; or (d) age 65 with a minimum of seven years of creditable service; and (2) for employees hired after January 1, 2007: (a) age 55 with 30 years of service; (b) age 62 with 10 years of service; or (c) age 67 with seven years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service.

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

The System issues an annual financial report to all participating employers. The financial report can be obtained by writing to: The Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, LA 70898-4619.

The Authority does not guarantee the benefits granted by the System.

(6) PENSION PLAN (CONTINUED)

Funding Policy

Members of the System are required by state statute to contribute 9.50% of their annual covered salary for the year ended September 30, 2017, and the Authority is required to contribute at an actuarially determined rate of 12.50% of annual covered payroll for the year ended June 30, 2017. The contribution requirements of plan members and the Authority are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Contributions

According to state statute, for the System, contribution requirements for all employees are actuarially determined each year. State statute requires covered employees to contribute a percentage of their salaries to the System. For the year ending September 30, 2017, the actual employer contribution rate and the actuarially determined employer contribution rate is listed below. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

The Authority's covered employees' contributions to the System for the year ending September 30, 2017 was $30,716. The Authority's contributions to the System consisted of 12.50% of participating employee earnings for the year ended September 30, 2017. The Authority's covered employer's contributions to the System for the year ending September 30, 2017 was $40,967, equal to the required contribution for the year.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2017, the Authority reported a liability totaling $130,456 for its proportionate share of the net pension liability for the System. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the Authority's proportion was 0.063343% for the System, which was an increase of 0.007492% from its proportion measured as of December 31, 2015.

For the year ended September 30, 2017, the Authority recognized pension expense for the System totaling $77,452. Added to pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling $1,111 for the System.

(6) PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended September 30, 2017, the Authority recognized revenue from ad valorem taxes and revenue sharing funds received by the System. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling $4,679.

At September 30, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the System:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 22,829
Change in assumptions	24,768	-
Net difference between projected and actual earnings on pension plan investments	101,239	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	475	2,468
Employer contributions subsequent to the measurement date	26,628	-
Total	$ 153,110	$ 25,297

Employer contributions subsequent to the measurement date totaling $26,628 and reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:

2018	$ 37,198
2019	40,461
2020	26,263
2021	(2,735)
Total	$ 101,187

(6) PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2016 actuarial valuation for the System was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	December 31, 2016
Actuarial Cost Method:	Plan A - Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense, including inflation
Projected Salary Increases	5.25% (2.75% Merit, 2.50% Inflation)
Mortality Rates	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Expected Remaining Service Lives	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Mortality Rate

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

(6) PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

Long-term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35.0%	1.24%
Equity	52.0%	3.63%
Alternatives	11.0%	0.67%
Real assets	2.0%	0.12%
Totals	100.0%	5.66%
Inflation		2.00%
Expected arithmetic nominal return		7.66%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(6) PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the Authority's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Authority's proportionate share of the net pension liability	$ 390,246	$ 130,456	$ (89,204)

Retirement System Audit Report

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2016. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

(7) PAYMENT IN LIEU OF PROPERTY TAXES

In accordance with a cooperative agreement with the Parish of Jefferson, the Authority is not required to pay property taxes. Instead, the Authority is required to make payments in lieu of property taxes if and when funds may become available. No payments in lieu of property taxes were required or have been made for the year ended September 30, 2017.

(8) COMMITMENTS AND CONTINGENCIES

Administrative Contract

The Authority entered an administrative contract with the Louisiana Housing Development Corporation (LHDC). LHDC furnished all materials and services to develop and implement a plan to carry out the ongoing programs under its various HUD Section 8 programs and certain aspects of the Authority owned housing programs. The administrative contract expired on September 30, 2018.

(8) COMMITMENTS AND CONTINGENCIES (CONTINUED)

Administrative Contract (continued)

As compensation for the administrative services rendered, the Authority paid LHDC ninety percent (90%), for the months October 1, 2016 through September 30, 2017, of the administration income from the Housing Choice Voucher program allocated to the Authority, as agreed upon in the HUD approved budget, as well as 100% of FSS coordinator fees and hard to house fees. LHDC will receive 100% of fees and costs for direct services, as per HUD approved plan for Section 901 program, as well as 100% of the HUD award from the Disaster programs. Compensation paid under the administrative contract for the year ended September 30, 2017 is as follows:

Section 8 Housing Choice Voucher Program	$ 2,548,628
Mainstream 5 Year Vouchers	57,061
Total	$ 2,605,689

The Authority entered into an administrative contract with the Nan McKay and Associates, Inc. (Nan McKay) on October 1, 2018. Nan McKay furnishes all materials and services to develop and implement a plan to carry out the ongoing programs under its various HUD Section 8 programs and certain aspects of the Authority owned housing programs. The service contract expires on September 30, 2020. However, if HUD elects to discontinue the programs, the Authority has the right to terminate the contract.

HUD OIG Findings

On July 30, 2012, the Office of the Inspector General of HUD ("OIG") issued an audit report claiming that the Authority violated certain Federal regulations. The report detailed instances of compliance violations and recommended that the Authority support or repay to HUD approximately $650,000 in questioned and/or ineligible costs. The Authority provided their response to the OIG report on February 1, 2013, supporting the questioned costs and addressing each violation.

Management of the Authority, their outside consultant, and their legal counsel are of the opinion that many of these audit findings will ultimately be resolved with no significant liability to the Authority. In May of 2013, HUD reduced the repayment amount by approximately $200,000. The Authority and their legal counsel are of the opinion that the ultimate payment amount will be $202,114, and this amount was accrued by the Authority as a liability as of September 30, 2013. Through September 30, 2016, the Authority made payments to HUD totaling $126,307, leaving the liability with a balance of $75,807 as of September 30, 2016. During the year ended September 30, 2017, HUD and the Authority established a repayment agreement whereby the HUD OIG office would write-off $44,801 of the outstanding balance and the Authority would repay the remaining $31,006. This liability has been settled as of September 30, 2017.

(9) RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority maintains commercial insurance to mitigate these risks. Settled claims have not exceeded insurance coverage in any of the past three years.

(10) CONCENTRATIONS

For the year ended September 30, 2017, the Authority received approximately 98% of its total revenue from federal sources (U.S. Department of Housing and Urban Development).

(11) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 80, "*Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*." The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The adoption of this Statement had no material impact on Authority's financial statements.

The GASB has issued Statement No. 82, "*Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*." The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, No. 68, and No. 73. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The adoption of this Statement had no material impact on Authority's financial statements.

(11) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 84, "*Fiduciary Activities.*" The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 85, "*Omnibus 2017.*" The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The adoption of this Statement had no material impact on Authority's financial statements.

The GASB has issued Statement No. 87, "*Leases.*" The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 92, "*Omnibus 2020.*" The objective of this Statement is to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to reinsurance recoveries, derivative instruments, intra-entity transfers of assets, post-employment benefit arrangements, fair value measurements, and measurements of liabilities associated with AROs in a government acquisition. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020. The Authority plans to adopt this Statement as applicable by the effective date.

(11) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance.*" The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement addresses the postponement of effective dates of certain provision in Statements and Implementation Guides that first became effective or are schedule to become effective for periods beginning after June 15, 2018. The provisions affected are Statement's No. 83, 84, 88, 89, 90, 91, 92, 93, and Implementation Guide's No. 2017-3, 2018-1, 2019-1, and 2019-2. The Authority plans to adopt this Statement as applicable by the effective date.

(12) SUBSEQUENT EVENTS

Intergovernmental Agreement

On June 6, 2019, the Authority entered into an Intergovernmental Agreement (IGA) with the Jefferson Parish Council. Under this agreement, Jefferson Parish Government is to provide assistance to the Authority in the form of administrative oversight and legal services. The IGA is due to expire on October 17, 2020 with an option to renew for an additional ninety days.

Streamlined Voluntary Conversion

The Authority is applying to HUD to undertake Streamlined Voluntary Conversion ("SVC") under Section 22 of the U.S. Housing Act of 1937. SVC is the process whereby a public housing agency voluntarily elects to remove their public housing units from operation and the residents are provided tenant protection vouchers similar to Housing Choice Vouchers (Section 8) to locate housing. Following SVC, the Authority intends to close out its public housing portfolio and demolish all of the public housing units in the Acre Road Housing Development. The Authority has held multiple meetings with the residents of the Acre Road Housing Development regarding SVC, the Board of Commissioners, and local elected officials. Additionally, the Authority has drafted a Conversion Plan to guide this process and has provided this plan to the residents, the Board of Commissioners, and local elected officials. Currently, the Authority is undergoing an environmental review as part of this plan, as required by HUD, before submitting their application for SVC. The intent is to have the application submitted by October 1, 2020 and have final approval from HUD by October 31, 2020. Following this, the Authority is required to give a 90-day notice to the residents regarding the issuance of tenant protection vouchers and to assist residents in locating housing. A preliminary timeline and best-case scenario is to have all residents out by March of 2021 and to begin demolition by April of 2021. Following demolition of the units, the Authority will be dissolved, and all assets will be transferred to Jefferson Parish to be managed by a special housing district as part of Jefferson Parish Government.

(12) SUBSEQUENT EVENTS (CONTINUED)

Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on employees' ability to work or the tenants' ability to pay the required monthly rent. Changes to the operating environment may increase operating costs. Additional impacts may include the inability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

(13) COMPONENT UNIT DISCLOSURES

Cash and Cash Equivalents

The RHDC maintains deposit accounts in a national bank. At September 30, 2017, the carrying amount of RHDC's bank deposits was $3,601. The bank balance at September 30, 2017 of $3,601 was covered by federal depository insurance which is limited to a maximum of $250,000.

Capital Assets

Details of RHDC's capital assets balances and current year activity are as follows:

	Balance 09/30/16	Additions	Disposals	Balance 09/30/17
Land	$ 26,362	$ -	$ -	$ 26,362

REQUIRED SUPPLEMENTARY INFORMATION (PART 2)

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	9/30/2017	9/30/2016
Parochial Employees' Retirement System of Louisiana		
Authority's Proportion of the Net Pension Liability	0.063343%	0.055851%
Authority's Proportionate Share of the Net Pension Liability	$ 130,456	$ 147,016
Authority's Covered-Employee Payroll	$ 375,660	$ 320,227
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	34.73%	45.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.15%	92.23%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.*

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2017*

	9/30/2017	9/30/2016
Parochial Employees' Retirement System of Louisiana		
Contractually Required Contribution	$ 40,967	$ 48,228
Contributions in Relation to the Contractually Required Contribution	(40,967)	(48,228)
Contribution Deficiency (Excess)	$ -	$ -
Authority's covered-employee payroll	$ 323,323	$ 360,055
Contributions as a Percentage of Covered-Employee Payroll	12.67%	13.39%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.*

(1) PENSION PLAN SCHEDULES

Changes of Benefit Terms

There were no changes of benefit terms during any of the years presented.

Changes of Assumptions

For the year ended December 31, 2016, the Parochial Employees' Retirement System of Louisiana's investment rate of return assumption remained 7.00%. The mortality assumptions used sex distinct tables 2016. Also, the inflation rate assumption remained at 2.50% annually, and the projected salary increase was lowered from 5.50% to 5.25% annually.

For the year ended December 31, 2015, the Parochial Employees' Retirement System of Louisiana's investment rate of return assumption was lowered from 7.25% to 7.00%. The mortality assumptions used sex distinct tables for 2015 rather than the uni-sex tables used in 2014. Also, the inflation rate assumption was lowered from 3.00% to 2.50% annually, and the projected salary increase was lowered from 5.75% to 5.50% annually.

OTHER SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA BY SUB-FUND
SEPTEMBER 30, 2017

Line Item #	Account Description	Housing Vouchers	Jefferson Place	Section 901 Funds	Katrina DHAP	Mainstream 5 Year	Ike DHAP	LA Disaster Recovery CDBG	PIH Family Self-Sufficiency Program	Eliminations	Total	Component Unit: Residential Housing Development Corporation
	ASSETS:											
	Current assets:											
	Cash:											
111	Cash - unrestricted	$ 2,486,066	$ 19,468	$ 430,893	$ -	$ 122,253	$ -	$ 23,583	-	$ -	$ 3,082,263	$ 3,601
113	Cash - other restricted	192,032	-	-	213,922	-	77,324	-	-	-	483,278	-
115	Cash - restricted for payment of current liability	96,448	-	-	-	-	-	-	-	-	96,448	-
100	Total cash	2,774,546	19,468	430,893	213,922	122,253	77,324	23,583	-	-	3,661,989	3,601
142	Prepaid expenses and other assets	34,043	-	-	-	-	-	-	-	-	34,043	-
144	Inter-program - due from	5,769	-	-	-	6,041	-	-	-	-	11,810	-
150	Total current assets	2,814,358	19,468	430,893	213,922	128,294	77,324	23,583	-	-	3,707,842	3,601
	Noncurrent assets:											
	Capital Assets:											
161	Land	-	-	-	-	-	-	-	-	-	-	26,362
162	Buildings	-	-	4,080,915	-	-	-	-	-	-	4,080,915	-
166	Accumulated depreciation	-	-	(4,582,160)	-	-	-	-	-	-	(4,582,160)	-
168	Infrastructure	-	-	1,116,057	-	-	-	-	-	-	1,116,057	-
160	Total capital assets, net of accumulated depreciation	-	-	614,812	-	-	-	-	-	-	614,812	26,362
180	Total noncurrent assets	-	-	614,812	-	-	-	-	-	-	614,812	26,362
190	Total assets	2,814,358	19,468	1,045,705	213,922	128,294	77,324	23,583	-	-	4,322,654	29,963
	DEFERRED OUTFLOWS OF RESOURCES:											
200	Deferred outflows of resources	33,192	-	-	-	-	-	-	-	-	33,192	-
290	Total assets and deferred outflows of resources	2,847,550	19,468	1,045,705	213,922	128,294	77,324	23,583	-	-	4,355,846	29,963
	LIABILITIES:											
	Current liabilities											
312	Accounts payable ≤ 90 days	701,416	-	-	-	-	-	-	-	-	701,416	-
321	Accrued wage/payroll taxes payable	3,800	-	-	-	-	-	-	-	-	3,800	-
322	Accrued compensated absences - current portion	1,514	-	-	-	-	-	-	-	-	1,514	-
331	Accounts payable - HUD PHA programs	34,435	-	-	-	-	-	-	-	-	34,435	-
333	Accounts payable - other government	97,794	-	-	-	-	-	-	-	-	97,794	-
345	Other current liabilities	52,507	-	-	-	-	-	-	-	-	52,507	-
346	Accrued liabilities - other	22,863	-	-	-	-	-	-	-	-	22,863	-
347	Inter-program - due to	29,409	-	-	-	23,103	-	-	-	-	52,512	-
310	Total current liabilities	943,738	-	-	-	23,103	-	-	-	-	966,841	-
	Noncurrent liabilities:											
353	Noncurrent liabilities - other	86,199	-	-	-	-	-	-	-	-	86,199	-
357	Accrued pension and OPEB liabilities	28,284	-	-	-	-	-	-	-	-	28,284	-
350	Total noncurrent liabilities	114,483	-	-	-	-	-	-	-	-	114,483	-
300	Total liabilities	1,058,221	-	-	-	23,103	-	-	-	-	1,081,324	-
	DEFERRED INFLOWS OF RESOURCES:											
400	Deferred inflows of resources	4,998	-	-	-	-	-	-	-	-	4,998	-
	NET POSITION:											
508.4	Net investment in capital assets	-	-	614,812	-	-	-	-	-	-	614,812	26,362
511.4	Restricted net position	192,032	-	-	213,922	-	77,324	-	-	-	483,278	-
512.4	Unrestricted net position	1,592,299	19,468	430,893	-	105,191	-	23,583	-	-	2,171,434	3,601
513	Total net position	1,784,331	19,468	1,045,705	213,922	105,191	77,324	23,583	-	-	3,269,524	29,963
600	Total liabilities, deferred inflows of resources and net position	$ 2,847,550	$ 19,468	$ 1,045,705	$ 213,922	$ 128,294	$ 77,324	$ 23,583	$ -	$ -	$ 4,355,846	$ 29,963

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
HUD FINANCIAL DATA SCHEDULE -REVENUES AND EXPENSES DATA BY SUB-FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Line Item #	Account Description	Housing Vouchers	Jefferson Place	Section 901 Funds	Katrina DHAP	Mainstream 5 Year	Ike DHAP	LA Disaster Recovery CDBG	PIH Family Self-Sufficiency Program	Eliminations	Total	Component Unit: Residential Housing Development Corporation
	REVENUE:											
70600	HUD PHA operating grants	$ 38,720,752	$ -	$ -	$ -	$ 692,692	$ -	$ -	$ 113,641	$ -	$ 39,527,085	$ -
71100	Investment income - unrestricted	5,307	19	430	-	136	-	73	-	-	5,965	4
71400	Fraud recovery	37,942	-	-	-	-	-	-	-	-	37,942	-
71500	Other revenue	695,880	-	-	-	41,216	-	-	-	-	737,096	-
72000	Investment income - restricted	-	-	-	213	-	77	-	-	-	290	-
70000	Total revenue	39,459,881	19	430	213	734,044	77	73	113,641	-	40,308,378	4
	EXPENSES:											
	Administrative:											
91100	Administrative salaries	104,375	-	-	-	-	-	-	-	-	104,375	-
91200	Auditing fees	22,966	-	-	-	-	-	-	-	-	22,966	-
91300	Management fee	2,548,628	-	-	-	57,061	-	-	-	-	2,605,689	-
91400	Advertising and marketing	993	-	-	-	-	-	-	-	-	993	-
91500	Employee benefit contributions - administrative	39,508	-	-	-	-	-	-	-	-	39,508	-
91600	Office expenses	13,369	-	-	-	-	-	-	-	-	13,369	-
91700	Legal expense	8,423	-	-	-	-	-	-	-	-	8,423	-
91800	Travel	289	-	-	-	-	-	-	-	-	289	-
91900	Other	10,912	-	-	-	-	-	-	-	-	10,912	10
91000	Total operating - administrative	2,749,463	-	-	-	57,061	-	-	-	-	2,806,524	10
	Tenant Services:											
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - other	-	-	-	-	-	-	-	113,641	-	113,641	-
92500	Total tenant services	-	-	-	-	-	-	-	113,641	-	113,641	-
	Utilities:											
93100	Water	4,745	-	-	-	-	-	-	-	-	4,745	-
93200	Electricity	2,773	-	-	-	-	-	-	-	-	2,773	-
93300	Gas	3,541	-	-	-	-	-	-	-	-	3,541	-
93000	Total utilities	11,059	-	-	-	-	-	-	-	-	11,059	-
	General expenses:											
96110	Property insurance	5,551	-	-	-	-	-	-	-	-	5,551	-
96120	Liability insurance	11,642	-	-	-	-	-	-	-	-	11,642	-
96130	Workmen's compensation	3,375	-	-	-	-	-	-	-	-	3,375	-
96140	All other insurance	9,611	-	-	-	-	-	-	-	-	9,611	-
96100	Total insurance premiums	30,179	-	-	-	-	-	-	-	-	30,179	-
96200	Other general expenses	43,645	-	-	-	41,584	-	59,381	-	-	144,610	-
96210	Compensated absences	4,175	-	-	-	-	-	-	-	-	4,175	-
96000	Total other general expenses	47,820	-	-	-	41,584	-	59,381	-	-	148,785	-
96900	Total operating expenses	2,838,521	-	-	-	98,645	-	59,381	113,641	-	3,110,188	10
97000	Excess revenue over operating expenses	36,621,360	19	430	213	635,399	77	(59,308)	-	-	37,198,190	(6)
97300	Housing assistance payments	35,784,643	-	-	-	669,363	-	-	-	-	36,454,006	-
97350	HAP Portability-In	683,662	-	-	-	-	-	-	-	-	683,662	-
97400	Depreciation expense	-	-	57,208	-	-	-	-	-	-	57,208	-
90000	Total expenses	39,306,826	-	57,208	-	768,008	-	59,381	113,641	-	40,305,064	10
10000	Excess (deficiency) of total revenue over (under) total expenses	$ 153,055	$ 19	$ (56,778)	$ 213	$ (33,964)	$ 77	$ (59,308)	$ -	$ -	$ 3,314	$ (6)
	MEMO ACCOUNT INFORMATION:											
11030	Beginning equity	$ 1,631,276	$ 19,449	$ 1,102,483	$ 213,709	$ 139,155	$ 77,247	$ 82,891	$ -	$ -	$ 3,266,210	$ 29,969
11170	Administrative fee equity	1,592,299	-	-	-	-	-	-	-	-	1,592,299	-
11180	Housing assistance payments equity	192,032	-	-	-	-	-	-	-	-	192,032	-
11190	Unit months available	56,820	-	-	-	1,200	-	-	-	-	58,020	-
11210	Unit months leased	55,003	-	-	-	1,185	-	-	-	-	56,188	-

See Independent Auditors' Report

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA BY PROJECT
SEPTEMBER 30, 2017

		LA013000013			
Line Item #	Account Description	Conventional Program	Total CFP	Eliminations	Total
	ASSETS:				
	Current assets:				
	Cash:				
111	Cash - unrestricted	$ 1,085,279	$ -	$ -	$ 1,085,279
112	Cash - restricted - modernization & development	174,847	-	-	174,847
113	Cash - other restricted	10,093	-	-	10,093
114	Cash - tenant security deposits	20,201	-	-	20,201
100	Total cash	1,290,420	-	-	1,290,420
	Accounts and notes receivables:				
126	Accounts receivable - tenants	18,385	-	-	18,385
126.1	Allowance for doubtful accounts - tenants	(16,463)	-	-	(16,463)
128	Fraud recovery	731	-	-	731
120	Total receivables, net of allowance for doubtful accounts	2,653	-	-	2,653
142	Prepaid expenses and other assets	88,905	-	-	88,905
144	Inter-program - due from	46,471	-	-	46,471
150	Total current assets	1,428,449	-	-	1,428,449
	Noncurrent assets:				
	Capital assets:				
161	Land	1,546,294	-	-	1,546,294
162	Buildings	1,165,067	-	-	1,165,067
163	Furniture, equipment and machinery - dwellings	43,388	-	-	43,388
164	Furniture, equipment and machinery - administration	247,923	-	-	247,923
165	Leasehold improvements	84,538	-	-	84,538
166	Accumulated depreciation	(762,036)	-	-	(762,036)
160	Total capital assets, net of accumulated depreciation	2,325,174	-	-	2,325,174
180	Total noncurrent assets	2,325,174	-	-	2,325,174
190	Total assets	3,753,623	-	-	3,753,623
	DEFERRED OUTFLOWS OF RESOURCES:				
200	Deferred outflows of resources	119,918	-	-	119,918
290	Total assets and deferred outflows of resources	3,873,541	-	-	3,873,541
	LIABILITIES:				
	Current liabilities				
312	Accounts payable ≤ 90 days	34,538	-	-	34,538
321	Accrued wage/payroll taxes payable	17,902	-	-	17,902
322	Accrued compensated absences - current portion	10,057	-	-	10,057
341	Tenant security deposits	21,825	-	-	21,825
342	Deferred revenue	1,201	-	-	1,201
345	Other current liabilities	13,993	-	-	13,993
346	Accrued liabilities - other	23,282	-	-	23,282
347	Inter-program - due to	5,769	-	-	5,769
310	Total current liabilities	128,567	-	-	128,567
	Noncurrent liabilities:				
353	Noncurrent liabilities - other	-	-	-	-
354	Accrued compensated absences - non-current	11,640	-	-	11,640
357	Accrued pension and OPEB liabilities	102,172	-	-	102,172
350	Total noncurrent liabilities	113,812	-	-	113,812
300	Total liabilities	242,379	-	-	242,379
	DEFERRED INFLOWS OF RESOURCES:				
400	Deferred inflows of resources	20,299	-	-	20,299
	NET POSITION:				
508.4	Net investment in capital assets	2,325,174	-	-	2,325,174
511.4	Restricted net position	-	-	-	-
512.4	Unrestricted net position	1,285,689	-	-	1,285,689
513	Total net position	3,610,863	-	-	3,610,863
600	Total liabilities, deferred inflows of resources, and net position	$ 3,873,541	$ -	$ -	$ 3,873,541

See Independent Auditors' Report

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY PROJECT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Line Item #	Account Description	LA013000013 Conventional Program	Total CFP	Eliminations	Total
	REVENUE:				
70300	Net tenant rental revenue	$ 510,956	$ -	$ -	$ 510,956
70400	Tenant revenue - other	34,017	-	-	34,017
70600	HUD PHA operating grants	595,682	212,149	-	807,831
70610	Capital grants	-	13,858	-	13,858
71100	Investment income - unrestricted	1,096	-	-	1,096
71500	Other revenue	105,714	-	-	105,714
70000	Total revenue	1,247,465	226,007	-	1,473,472
	EXPENSES:				
	Administrative:				
91100	Administrative salaries	154,540	-	-	154,540
91200	Auditing fees	18,154	-	-	18,154
91400	Advertising and marketing	1,114	-	-	1,114
91500	Employee benefit contributions - administrative	66,213	-	-	66,213
91600	Office expenses	30,331	-	-	30,331
91700	Legal expense	8,423	-	-	8,423
91800	Travel	2,077	-	-	2,077
91900	Other	8,168	7,069	-	15,237
91000	Total operating - administrative	289,020	7,069	-	296,089
	Tenant Services:				
92100	Tenant services - salaries	5,074	-	-	5,074
92300	Employee benefit contributions - tenant services	472	-	-	472
92500	Total tenant services	5,546	-	-	5,546
	Utilities:				
93100	Water	99,460	-	-	99,460
93200	Electricity	63,889	-	-	63,889
93300	Gas	78,356	-	-	78,356
93000	Total utilities	241,705	-	-	241,705
	Ordinary maintenance and operations:				
94100	Ordinary maintenance and operations - labor	229,927	-	-	229,927
94200	Ordinary maintenance and operations - materials and other	104,758	8,329	-	113,087
94300	Ordinary maintenance and operations - contract costs	31,606	-	-	31,606
94500	Employee benefit contributions - ordinary maintenance	78,221	-	-	78,221
94000	Total maintenance and operations	444,512	8,329	-	452,841
	Protective services:				
95200	Protective services - other contract costs	24,570	-	-	24,570
95000	Total protective services	24,570	-	-	24,570
	General expenses:				
96110	Property insurance	105,472	-	-	105,472
96120	Liability insurance	34,927	-	-	34,927
96130	Workmen's compensation	10,125	-	-	10,125
96140	All other insurance	29,735	-	-	29,735
96100	Total insurance premiums	180,259	-	-	180,259
96200	Other general expenses	4,742	-	-	4,742
96210	Compensated absences	16,029	-	-	16,029
96400	Bad debt- tenant rents	13,501	-	-	13,501
96000	Total other general expenses	34,272	-	-	34,272
96900	Total operating expenses	1,219,884	15,398	-	1,235,282
97000	Excess revenue over operating expenses	27,581	210,609	-	238,190
97400	Depreciation expense	134,490	-	-	134,490
90000	Total expenses	1,354,374	15,398	-	1,369,772
	OTHER FINANCING SOURCES (USES)				
10010	Operating transfers in	205,630	-	-	205,630
10020	Operating transfers out	-	(205,630)	-	(205,630)
10100	Total other financing sources (uses)	205,630	(205,630)	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	$ 98,721	$ 4,979	$ -	$ 103,700
	MEMO ACCOUNT INFORMATION:				
11030	Beginning equity	$ 3,507,163	$ -	$ -	$ 3,507,163
11190	Unit months available	2,400	-	-	2,400
11210	Unit months leased	2,130	-	-	2,130
11270	Excess cash	849,967	-	-	849,967
11640	Furniture and equipment - administrative purchases	-	4,979	-	4,979

See Independent Auditors' Report

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COSTS COMPLETED
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Capital Fund Program 2015
Funds approved	$ 256,922
Funds expended (1)	(256,922)
Excess of funds approved	$ -
Funds advanced (2)	$ 256,922
Funds expended	(256,922)
Excess of funds advanced	$ -

(1) Cumulative accrued expenditures
(2) Cash received in bank depository

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Elizabeth Gartman Acting Executive Director	Evelyn Stevens Acting Executive Director	Wayne Woods Executive Director
Time served	10/01/2016 - 03/08/2017	03/09/2017 - 04/21/2017	04/22/2017 - 09/30/2017
Salary	$ 26,520	$ 10,522	$ 76,154
Benefits - retirement	2,519	-	-
Car allowance	200	-	-
Reimbursements	300	-	24
Travel	-	-	608
Total compensation, benefits, and other payments	$ 29,539	$ 10,522	$ 76,786

SINGLE AUDIT SECTION

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*

To the Board of Commissioners of
Housing Authority of Jefferson Parish
Marrero, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of Jefferson Parish (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 September 8, 2020.

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 opinions 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, 2017-003, 2014-004, 2017-005, 2017-006, 2017-007, and 2017-009 to be material weaknesses.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
Housing Authority of Jefferson Parish
September 8, 2020

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. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2017-008 to be a significant deficiency.

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 statements 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, and 2017-009.

Housing Authority of Jefferson Parish's Response to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose and is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

September 8, 2020
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

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

To the Board of Commissioners of
Housing Authority of Jefferson Parish
Marrero, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of Jefferson Parish's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect 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 auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs 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 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 adverse opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

4227 Canal Street
New Orleans, LA 70119
P: (504) 486-7275 | F: (504) 482-2516

Ericksen Krentel LLP
www.EricksenKrentel.com

2895 Highway 190, Ste 213
Mandeville, LA 70471
P: (985) 727-0777 | F: (985) 727-6701

To the Board of Commissioners of
Housing Authority of Jefferson Parish
September 8, 2020

Basis for Adverse Opinion on Section 8 Housing Choice Vouchers Program

As described in Finding 2017-009 in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2017-009	14.871	Section 8 Housing Choice Vouchers	Activities Allowed or Unallowed
2017-009	14.871	Section 8 Housing Choice Vouchers	Allowable Costs/Costs Principles
2017-009	14.871	Section 8 Housing Choice Vouchers	Cash Management
2017-009	14.871	Section 8 Housing Choice Vouchers	Eligibility
2017-009	14.871	Section 8 Housing Choice Vouchers	Reporting: Financial Reporting
2017-009	14.871	Section 8 Housing Choice Vouchers	Reporting: Performance Reporting
2017-009	14.871	Section 8 Housing Choice Vouchers	Reporting: Special Reporting
2017-009	14.871	Section 8 Housing Choice Vouchers	Special Test & Provisions: Selection from Waiting List
2017-009	14.871	Section 8 Housing Choice Vouchers	Special Test & Provisions: Reasonable Rent
2017-009	14.871	Section 8 Housing Choice Vouchers	Special Test & Provisions: Utility Allowance Schedule
2017-009	14.871	Section 8 Housing Choice Vouchers	Special Test & Provisions: HQS Enforcement
2017-009	14.871	Section 8 Housing Choice Vouchers	Special Test & Provisions: Housing Assistance Payment
2017-009	14.871	Section 8 Housing Choice Vouchers	Special Test & Provisions: Depository Agreement
2017-009	14.871	Section 8 Housing Choice Vouchers	Special Test & Provisions: Rolling Forward Equity Balances

Compliance with such requirements is necessary, in our opinion, for the Authority, to comply with the requirements applicable to that program.

Adverse Opinion on Section 8 Housing Choice Vouchers Program

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the Authority did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Section 8 Housing Choice Voucher Program for the year ended September 30, 2017.

Other Matters

The Authority's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-009, that we consider to be material weaknesses.

The Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
Housing Authority of Jefferson Parish
September 8, 2020

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose and is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

September 8, 2020
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

HOUSING AUTHORITY OF JEFFERSON PARISH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Contract/ Grant Number	Federal Expenditures
U.S. Department of Housing & Urban Development			
Direct Programs:			
Low Rent Public Housing	14.850	LA013	$ 595,682
Section 8 Housing Choice Voucher	14.871	LA013	38,720,752
Mainstream Vouchers	14.879	LA013	726,424
Public Housing Capital Fund Program	14.872	LA013	226,007
PIH Family Self-Sufficiency Program	14.896		113,641
Total U.S Department of Housing & Urban Development			40,382,506
Total expenditures of federal awards			$ 40,382,506

See Independent Auditors' Report

NOTE 1 – SCOPE OF AUDIT PURSUANT TO *GOVERNMENT AUDITING STANDARDS AND* TITLE 2 *U.S. CODE OF FEDERAL REGULUATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

All federal grant operations of the Housing Authority of Jefferson Parish (the Authority) are included in the scope of the single audit. Those programs which were major grants and selected for specific testing were:

Section 8 Housing Choice Vouchers (CFDA No. 14.871)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended September 30, 2017.

NOTE 3 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule of expenditures of federal awards agree with amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Authority has met the qualifications for the respective grants.

Federal Awards

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Authority's operating income from rents or income from investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be expended during the fiscal year. Federal awards revenues are reported in the Authority's financial statements as follows:

Conventional Program	$ 595,682
Housing Vouchers	39,413,444
Capital Fund Projects	226,007
Family Self-Sufficiency	113,641
Total	$ 40,348,774

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended September 30, 2017.

NOTE 5 – INDIRECT COST RATE

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

SECTION I - SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Housing Authority of Jefferson Parish.

2. Eight material weaknesses and one significant deficiency were disclosed during the audit of the financial statements and are reported in the 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*.

3. Six instances of noncompliance material to the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

4. One material weakness relating to the audit of the major federal award programs is reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award program for the Housing Authority of Jefferson Parish expresses an adverse opinion.

6. There were audit findings required to be reported in accordance with 2 CFR section 200.516(a).

7. A management letter was issued for the year ended September 30, 2017.

8. The program tested as a major program was:

	CFDA Number
Section 8 Housing Choice Vouchers	14.871

9. The threshold for distinguishing Types A and B programs was $1,211,475.

10. Housing Authority of Jefferson Parish was not determined to be a low-risk auditee.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Material Weaknesses

2017-001 Lack of Appropriate Board Oversight

Criteria: An effective Board of Commissioners is actively involved and has significant influence over the Authority's internal control environment and its financial reporting. Meetings are conducted on a regular basis to address the ongoing operational issues of the Authority as they arise.

Condition: We noted that the Board of Commissioners has been unable to meet regularly due to several factors including lack of consensus on agenda items and the inability to have a quorum of members present at scheduled meetings. Board action on several matters had to be deferred until a later time when meetings could be scheduled.

Cause: The Authority did not have adequate procedures in place to ensure proper oversight during times when meetings of the Board of Commissioners could not be held.

Effect: The Authority was not able to effectively comply with the laws and requirements noted in findings 2017-002, 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, and 2017-009. Additionally, the Authority was not able to timely ensure that corrective actions as a result of HUD's Quality Assurance Division's audits were implemented.

Recommendation: The Board of Commissioners should put policies and procedures in place to ensure that proper board oversight is conducted in a timely manner, e.g. ensuring that applicable compliance requirements are met, and corrective action plans are implemented.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2017-002 Failure to Maintain Complete and Accurate Books of Accounts and Records

Criteria: The regulation at 24 CFR §982.158(a) require that the Authority must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. The records must be in the form required by HUD, including requirements governing computerized or electronic forms of record-keeping. The PHA must comply with the financial reporting requirements in 24 CFR Part 5, subpart H.

Condition: The Authority failed to maintain complete and accurate accounting records since June of 2017. The Authority lacks adequate financial controls to ensure that program funds are appropriately tracked, and financials records are properly maintained.

Effect: The Authority failed to maintain complete and accurate accounting records since June 2017 resulting in the Authority awarding a contract in 2019 to an experienced firm to perform accounting services needed in order to close out the financial records for fiscal year 2017.

Cause: Due to turnover in the staff accountant position and lack of appropriate board oversight, the Authority lacked continuity to ensure proper procedures were followed to maintain accounting records.

Recommendation: The Board of Commissioners and management should put additional policies and procedures in place to ensure that their internal financial records are accurate and that any adjustments made by the fee accountant and/or the staff accountant, and as required by the independent auditor are supported and accurate.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2017-003 Non-Compliance with Louisiana's Financial Reporting Laws

Criteria: The Authority is required to provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its year end in accordance with Louisiana Revised Statutes 24:513 and 24:514.

Condition: The Authority failed to comply with these laws, submitting the required report approximately two and a half years after the required deadline.

Effect: The Authority is not in compliance with Louisiana Revised Statutes 24:513 and 24:514.

Cause: Due to turnover in the Executive Director position and lack of appropriate board oversight, the Authority lacked continuity in management to ensure proper procedures were followed to safeguard against noncompliance with these laws.

Recommendation: The Board of Commissioners and management should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner. The responsibility for timely filing of reports should not rest solely on the Executive Director.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2017-004 Non-Compliance with HUD Budget Requirements

Criteria: The Authority is to provide a Board Resolution approving the operating budget for fiscal year September 30, 2017 to the HUD Office of Public Housing in New Orleans prior to the beginning of the Authority's fiscal year in accordance with Section 10 of Notice PIH 2016-19 "Public Housing Operating Subsidy Eligibility Calculations for Calendar Year 2017."

Condition: The Authority failed to comply with these requirements, submitting the required board resolution approximately three months after the beginning of its fiscal year.

Cause: The Authority did not have the proper procedures in place to ensure compliance with these requirements.

Effect: HUD placed the Operating Fund and Capital Funds grants with funds available for disbursements on auto-review.

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that HUD budget requirements are filed in a timely manner.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2017-005 Improper Procurement for Legal Services

Criteria: The Authority is to follow *Title 2 Code of Federal Regulation CFR §200.320 (d) Procurement by Competitive Proposals* when seeking professional service contracts.

Condition: The Authority failed to comply with these requirements awarding the legal services contract to a firm that did not score the highest on the Authority's evaluation criteria. The Authority was unable to provide a legitimate reason for not awarding the contract to the firm that scored the highest on its evaluation criteria.

Cause: The Authority did not have proper board oversight or proper procedures in place to ensure compliance with these requirements.

Effect: HUD did not approve of awarding the contract to the firm selected for legal services resulting in the request for proposal being put out to bid again.

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that proper procurement policies are followed.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2017-006 Non-Compliance with Louisiana Code of Governmental Ethics

Criteria: Employees and commissioners of the Authority are to receive one hour of education and training of the Code of Ethics during each year of public employment or term of office in accordance with Louisiana Revised Statutes 42:1170.

Condition: The Authority failed to comply with these requirements as there was no evidence provided that employees or commissioners received ethics training.

Cause: The Authority did not have the proper procedures in place to ensure compliance with these requirements.

Effect: The Authority is not in compliance with Louisiana Revised Statutes 42:1170.

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that the Louisiana Code of Governmental Ethics is being followed by employees and commissioners.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2017-007 Non-Compliance with FSS Program Requirements

Criteria: 24 CFR 984.305(a)(l) requires the Authority to deposit the FSS account funds of all families participating in the Authority's FSS program into a single depository account. In addition, 24 CFR 984.305(a)(2)(ii) states that investment income for funds in the FSS account will be prorated and credited to each family's FSS account based on the balance in each family's FSS account. Moreover, 24 CFR 984.305(t)(2) states that FSS funds forfeited by the FSS family will be credited to the Authority's operating reserves.

Condition: The Authority's FSS program escrow bank statement cash balance is not sufficient to support the required FSS program participant escrow amount indicated in the FSS program reports. In addition, there was limited activity in the FSS program participant escrow bank statements.

Cause: The Authority does not have adequate board oversight or internal controls to ensure accounting staff deposits the accurate amount of funds in a timely manner and maintained in the FSS program participant escrow bank account.

Effect: The FSS program participants may not receive the correct amount of funds upon successful completion of the FSS program and the Authority may not have sufficient cash available for all FSS program participants. In addition, the Authority is not accurately reporting financial information to HUD.

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that FSS program requirements are met.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

See findings 2017-009 below as an instance of noncompliance or other matters required to be reported under *Government Auditing Standards*.

Significant Deficiency

2017-008 Proper Segregation of Duties over Cash Receipts

Criteria: In accordance with COSO Internal Control – Integrated Framework, effective internal control systems have proper segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition: The Authority currently has the same employee collecting rent payments, preparing the daily/weekly deposit slip, and making the deposit at the bank.

Cause: The Authority did not have adequate procedures in place to ensure proper segregation of duties over cash receipts.

Effect: When segregation of duties is inadequate, there is a danger that intentional fraud or unintentional errors could occur and go undetected.

Recommendation: Management should put policies and procedures in place to ensure that proper segregation of duties over cash receipts are put in place.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

U.S. Department of Housing and Urban Development
CFDA No. 14.871: Section 8 Housing Choice Vouchers

Material Weakness

2017-009 Inadequate Controls over Section 8 Housing Choice Voucher Program

Criteria: The Comptroller General of the United States' "Standards for Internal Control in the Federal Government" (Guidebook GAO-14-704G) requires recipients and subrecipients of federal awards to establish effective internal control systems that will ensure accurate financial reporting and mitigate the risk of fraudulent financial reporting or misappropriation of assets.

Condition: The Authority does not have a financial management system that ensures HCV program funds are spent appropriately or reporting to HUD is accurate and provides reliable information. In addition, the Authority does not maintain adequate oversight or control of the contractors responsible for program management. For example:

- Tenant files were missing required documentation for compliance and control testing over the Activities Allowed or Unallowed, Allowable Costs/Costs Principles, Eligibility, Reporting, Special Test and Provisions: Reasonable Rent, Special Test and Provisions: Housing Assistance Payment compliance requirements. Of our total sample of 60 tenant files, we performed testing over a sub-sample of 15 tenant files to determine a baseline for testing. Of those 15 files, the following missing documentation was noted that impacted our ability to test the compliance requirements listed in parenthesis:
  - 6 out of 15 tenant files were missing the lease agreement and HAP contract (Activities Allowed or Unallowed, Allowable Costs/Costs Principles, Eligibility, Reporting, and Special Test and Provisions: Housing Assistance Payment).
  - 2 out of 15 tenant files were missing documentation of U.S. citizenship (Eligibility).
  - 9 out of 15 files were missing rent reasonable calculations (Special Test and Provisions: Reasonable Rent).

- Compliance and control testing over the Cash Management, Special Test and Provisions: Selection from Waiting List, Special Test and Provisions: Depository Agreement, Special Test and Provisions: Rolling Forward Equity Balances, and Special Test and Provisions: Utility Allowance Schedule compliance requirements could not be performed because the necessary information could not be provided by the Authority.

- Control testing over the Special Test: HQS Enforcement compliance requirement could not be performed because the necessary information could not be provided by the Authority.

- All reports required under the Reporting compliance requirement were not filed timely, which includes monthly VMS reports, unaudited financial statements, audited financial statements, Federal Audit Clearinghouse submission, and SEMAP Certification. As a result of these untimely filings, controls are deemed inadequate over the Reporting compliance requirement.

Cause: The Authority's board and senior management did not prioritize or provide sufficient resources to establish an adequate financial management system or internal control process over HCV program funds.

Effect: The Authority is not able to document if program compliance requirements are being followed in accordance with the Uniform Guidance.

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that oversight over the Section 8 HCV Program is properly administered.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

SECTION I - FINDINGS - FINANCIAL STATEMENT AUDIT

2016-001 Non-Compliance with Louisiana's Financial Reporting Laws

Condition: The Authority failed to comply with Louisiana Revised Statutes 24:513 and 24:514 requiring the Authority to provide an annual financial report to the Louisiana Legislative Auditor later than six months after its year end.

Current Status: The Authority is still not in compliance with applicable state laws. This finding is repeated as a finding in the audit report for the year ended September 30, 2017 as finding number 2017-003.

2016-002 Non-Compliance with HUD Budget Requirements

Condition: The Authority failed to comply with Section 10 of Notice PIH 2015-20 "Public Housing Operating Subsidy Eligibility Calculations for Calendar Year 2016" which required the Authority to provide a Board Resolution approving the operating budget for fiscal year September 30, 2017 to the HUD Office of Public Housing in New Orleans prior to the beginning of the Authority's fiscal year.

Current Status: The Authority is still not in compliance with applicable HUD requirements. This finding is repeated as a finding in the audit report for the year ended September 30, 2017 as finding number 2017-004.

2016-003 Non-Compliance with HUD SEMAP Certification Requirements

Condition: The Authority failed to comply with the requirements 24 CFR §985.101 which requires the Authority to provide a Board Resolution approving the Section Eight Management Assessment Program (SEMAP) certification to the REAC's PIC within 60 days after the end of its fiscal year.

Current Status: The Authority is still not in compliance with applicable HUD requirements. This finding is repeated as a finding in the audit report for the year ended September 30, 2017 within finding number 2017-009.

2016-004 Lack of Appropriate Board Oversight

Condition: We noted that the Board of Commissioners has been unable to meet regularly due to a number of factors including lack of consensus on agenda items and the inability to have a quorum of members present at scheduled meetings. Board action on several matters had to be deferred until a later time when meetings could be scheduled.

Current Status: The Authority is still experiencing trouble with getting its board to meet regularly and oversee the Authority. This finding is repeated as a finding in the audit report for the year ended September 30, 2017 as finding number 2017-001.

SECTION II – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

NOT APPLICABLE

SECTION III – MANAGEMENT LETTER

2016-005 Compliance with Grant Requirements

Condition: Out of a sample of 40 tenants selected for our testing of compliance with grant agreements, we noted the four instances of missing information that is required to be kept in tenant files.

Current Status: The Authority is still experiencing trouble with maintaining proper documentation in tenant files. This management letter item has been elevated to a finding in the audit report for the year ended September 30, 2017 as finding number 2017-009.

HOUSING AUTHORITY OF JEFFERSON PARISH
MANAGEMENT'S CORRECTIVE ACTION PLAN - FINDINGS
SEPTEMBER 30, 2017

September 8, 2020

Louisiana Legislative Auditor

Housing Authority of Jefferson Parish (the Authority) respectfully submits the following corrective action plan for the year ended September 30, 2017.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: October 1, 2016 – September 30, 2017

The findings from the September 30, 2017 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Material Weaknesses

2017-001 Lack of Appropriate Board Oversight

Recommendation: The Board of Commissioners should put policies and procedures in place to ensure that proper board oversight is conducted in a timely manner, e.g. ensuring that applicable compliance requirements are met, and corrective action plans are implemented.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to draft and implement policies and procedures to ensure that the proper board oversight is conducted in a timely manner.

2017-002 Failure to Maintain Complete and Accurate Books of Accounts and Records

Recommendation: The Board of Commissioners and management should put additional policies and procedures in place to ensure that their internal financial records are accurate and that any adjustments made by the fee accountant and/or the staff accountant, and as required by the independent auditor are supported and accurate.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to draft and implement additional policies and procedures over financial and accounting processes in order to ensure compliance with Uniform Guidance's internal control standards. Additionally, the Authority will consider hiring a full-time fee accountant to assist in financial reporting.

2017-003 Non-Compliance with Louisiana's Financial Reporting Laws

Recommendation: The Board of Commissioners and management should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner. The responsibility for timely filing of reports should not rest solely on the Executive Director.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to draft and implement additional policies and procedures over financial and accounting processes in order to ensure compliance with the State of Louisiana's Financial Reporting Laws. Additionally, the Authority will consider hiring a full-time fee accountant to assist in financial reporting.

2017-004 Non-Compliance with HUD Budget Requirements

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that HUD budget requirements are filed in a timely manner.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to draft and implement additional policies and procedures over financial and accounting processes in order to ensure compliance with HUD's budget requirements.

2017-005 Improper Procurement for Legal Services

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that proper procurement policies are followed.

Response: After the year ended September 30, 2017, the Authority adopted new procurement policies which should prevent improper procurement in future years.

2017-006 Non-Compliance with Louisiana Code of Governmental Ethics

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that the Louisiana Code of Governmental Ethics is being followed by employees and commissioners.

Response: Teri Rouzan, Interim Executive Director, will work with the Board of Commissioners and legal counsel to draft and implement additional policies and processes in order to ensure compliance with the State of Louisiana's Code of Governmental Ethics. These policies will include identifying a staff member who will be responsible for monitoring and tracking compliance.

2017-007 Non-Compliance with FSS Program Requirements

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that FSS program requirements are met.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to draft and implement additional policies and processes in order to ensure compliance with the requirements of the FSS program. Management of the FSS program has been contracted out to Nan McKay as of September 2020.

Significant Deficiency

2017-008 Proper Segregation of Duties over Cash Receipts

Recommendation: Management should put policies and procedures in place to ensure that proper segregation of duties over cash receipts are put in place.

Response: The Executive Director will evaluate the Authority's staff and establish policies and procedures over cash receipts that properly separate the duties of collecting, recording, and reconciling the receipts.

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

U.S. Department of Housing and Urban Development
CFDA No. 14.871: Section 8 Housing Choice Vouchers

Material Weakness

2017-009 Inadequate Controls over Section 8 Housing Choice Voucher Program

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that oversight over the Section 8 HCV Program is properly administered.

Response: During the year ended September 30, 2017, the Housing Choice Voucher Program was managed by Louisiana Housing Development Corporation. Beginning in October 2018, Nan McKay began managing the program. It is the Authority's belief that Nan McKay is properly managing the program. However, the Executive Director will develop additional policies and procedures to ensure that the contractor is properly monitored to ensure compliance with all program requirements, such as the following:

- Nan McKay will submit monthly summary reports that provide a snapshot of program status.
- The HCVP Director will provide weekly status updates to the Executive Director.
- The Executive Director will conduct bi-weekly visits to the HCVP office to meet with Nan McKay staff and monitor operations.
- The Executive Director will work closely with the HCVP Director to ensure that SEMAP submission and other deadlines are met.

If there are any questions regarding this plan, please contact Teri Rouzan, Interim Executive Director, at (504) 347-4381.

Sincerely,

Teri Rouzan
Interim Executive Director

MANAGEMENT LETTER

To the Board of Commissioners and Management of
Housing Authority of Jefferson Parish
Marrero, Louisiana

In planning and performing our audit of the financial statements of the Housing Authority of Jefferson Parish (the Authority) as of and for the year ended September 30, 2017, in accordance with auditing standards generally accepted in the Unites States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing auditing 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.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions concerning those matters. This letter does not affect our report dated September 8, 2020, on the financial statements of the Housing Authority of Jefferson Parish.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Authority personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

2017-010 Maintaining Documentation in Tenant Files

We noted one instance where necessary documentation was not available for a tenant enrolled in the Conventional Housing Program. We recommend that Authority personnel review and enhance controls surrounding the maintenance of documentation of tenant files.

2017-011 Bank Reconciliations

During our testing, we noted instances of old outstanding checks and bank reconciliation not agreeing to the trial balance. We recommend that the Authority enhance controls over bank reconciliations by having the Treasurer of the board approve bank reconciliations on a monthly basis.

4227 Canal Street
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ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

2017-012 Minutes Documentation

During our review of the minutes of the meetings of the Board of Commissioners, we noted the documentation of the discussions held at the meeting were inconsistent and sometimes not accurate. For example:

- Documentation that a board resolution was passed when the actual board resolution said the motion failed or was deferred for vote.
- Instances where information was copied and pasted from previous meetings but wasn't discussed at the current meeting

We recommend that the Secretary of the Board review the minutes of every meeting before final submission to ensure their completeness and accuracy.

This communication is intended solely for the information and use of management, the Board of Commissioners and others within the Housing Authority of Jefferson Parish and is not intended to be and should not be used by anyone other than these specified parties.

September 8, 2020
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

HOUSING AUTHORITY OF JEFFERSON PARISH
MANAGEMENT'S CORRECTIVE ACTION PLAN – MANAGEMENT LETTER ITEMS
SEPTEMBER 30, 2017

September 8, 2020

Louisiana Legislative Auditor

Housing Authority of Jefferson Parish (the Authority) respectfully submits the following corrective action plan for the year ended September 30, 2017.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: October 1, 2016 – September 30, 2017

The management letter items from the September 30, 2017 management letter are discussed below. The items are numbered consistently with the number assigned in the letter.

SECTION III MANAGEMENT LETTER ITEMS

2017-010 Maintaining Documentation in Tenant Files

Recommendation: We recommend that Authority personnel review and enhance controls surrounding the maintenance of documentation of tenant files

Response: The Executive Director will draft and implement policies to ensure proper maintenance of tenant files including specifying what documents are stored in each file as well as document retention policies.

2017-011 Bank Reconciliations

Recommendation: We recommend that the Authority enhance controls over bank reconciliations by having the Treasurer of the board approve bank reconciliations on a monthly basis.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to amend the Authority's by-laws to provide for a Board Treasurer and develop a procedure for review of bank reconciliations by the Board Treasurer.

HOUSING AUTHORITY OF JEFFERSON PARISH
MANAGEMENT'S CORRECTIVE ACTION PLAN – MANAGEMENT LETTER ITEMS
(CONTINUED)
SEPTEMBER 30, 2017

2017-012 Minutes Documentation

Recommendation: We recommend that the Secretary of the Board review the minutes of every meeting before final submission to ensure their completeness and accuracy.

Response: The Executive Director will work with legal counsel to develop a procedure for the review of minutes by the Secretary of the Board prior to the submittal to the board for approval.

The Board of Commissioners and management of the Authority are committed to ensuring that our operations fully comply with the letter and spirit of the applicable standards for operation of a public housing authority. We hope that our responses and actions demonstrate this commitment, but should you have any questions or require additional information, please do not hesitate to contact Teri Rouzan, Interim Executive Director, at (504) 347-4381.

Sincerely,

Teri Rouzan
Interim Executive Director