

LOUISIANA HOUSING ASSISTANCE CORP
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

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 WITH SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Louisiana Housing Assistance Corp
PO Box 7207
Alexandria, LA 71306

Report on the Financial Statements

I have audited the accompanying financial statements of Louisiana Housing Assistance Corp (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Housing Assistance Corp as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

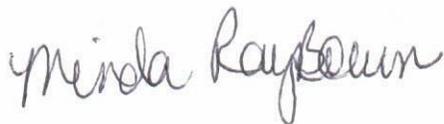
Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in the audited statement of claims and schedule of meals served and program reimbursements as required by the Louisiana Department of Education and the schedule of compensation, benefits, and other payments to the agency head is also presented for purposes for additional analysis and is not part of the required financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued my report dated June 21, 2022, on my consideration of Louisiana Housing Assistance Corp's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Louisiana Housing Assistance Corp's internal control over financial reporting and compliance.



Franklinton, LA
June 21, 2022

FINANCIAL STATEMENTS

LOUISIANA HOUSING ASSISTANCE CORP
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

ASSETS	<u>Administrative</u>	<u>General</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 68,740	\$ 32,606	\$ 101,346
Due from Department of Education	248,763	-	248,763
Due from Admin Fund	-	-	-
Total Current Assets	<u>317,503</u>	<u>32,606</u>	<u>350,109</u>
TOTAL ASSETS	<u>317,503</u>	<u>32,606</u>	<u>350,109</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	5,527	-	5,527
Due to providers	239,680	-	239,680
Withholding taxes payable	877	-	877
Insurance withholding	1,949	-	1,949
Total Current Liabilities/Total Liabilities	<u>248,033</u>	<u>-</u>	<u>248,033</u>
Net Assets (Deficit)			
With donor restrictions	-	-	-
Without donor restrictions	69,470	32,606	102,076
Total Net Assets (Deficit)	<u>69,470</u>	<u>32,606</u>	<u>102,076</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 317,503</u>	<u>\$ 32,606</u>	<u>\$ 350,109</u>

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

LOUISIANA HOUSING ASSISTANCE CORP
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

UNRESTRICTED NET ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OTHER GAINS			
Administrative reimbursement	\$ -	\$ 565,502	\$ 565,502
Provider reimbursement	-	3,162,092	3,162,092
Interest income	6	-	6
Fundraising and other contributions	6,650	2,299	8,949
Other income	2,989	-	2,989
Net assets released from restrictions	<u>3,729,893</u>	<u>(3,729,893)</u>	<u>-</u>
Total support and other gains	<u>3,739,537</u>	<u>-</u>	<u>3,739,537</u>
EXPENSES			
Program services	3,155,186	-	3,155,186
Supporting services	541,367	-	541,367
Fundraising expenses	1,500	-	1,500
Other expenses	<u>12,340</u>	<u>-</u>	<u>12,340</u>
Total expenses	<u>3,710,394</u>	<u>-</u>	<u>3,710,394</u>
CHANGE IN NET ASSETS	29,143	-	29,143
NET ASSETS (DEFICIT), BEGINNING	<u>72,933</u>	<u>-</u>	<u>72,933</u>
NET ASSETS (DEFICIT), ENDING	<u>\$ 102,076</u>	<u>\$ -</u>	<u>\$ 102,076</u>

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

LOUISIANA HOUSING ASSISTANCE CORP
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from program and administrative reimbursements	\$ 3,743,303
Cash received from fundraising efforts & other	11,938
Cash paid for program expenses	(3,163,035)
Cash paid to or on behalf of employees for services	(380,630)
Cash paid to suppliers for goods and services	<u>(179,668)</u>
Net cash used for operating services	<u>31,907</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>6</u>
Net cash provided from investing activities	<u>6</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
	<u>-</u>
NET INCREASE/DECREASE IN CASH	<u>31,913</u>
CASH AND CASH EQUIVALENTS, BEGINNING	69,439
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 101,346</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED FOR OPERATING ACTIVITIES	
Change in net assets	\$ 29,143
Adjustments to reconcile change in net assets to net cash used for operating activities	
(Increase) decrease in assets:	
Due from Department of Education	15,430
Increase (decrease) in liabilities:	
Accounts payable	1,440
Due to providers	(16,932)
Withholding taxes payable	2,826
NET CASH PROVIDED (USED) FOR OPEARTING ACTIVITIES	<u><u>\$ 31,907</u></u>

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

LOUISIANA HOUSING ASSISTANCE CORP
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021

<u>ACCOUNT</u>	<u>PROGRAM</u>	<u>SUPPORTING</u>	<u>FUNDRAISING</u>	<u>GENERAL</u>
Advertising	\$ -	\$ -	\$ -	\$ -
Bank charges	-	3,603	-	-
Dues	-	3,103	-	-
Insurance	-	56,214	-	3,120
Minute Menu/Kid Kare	-	13,796	-	5,667
Miscellaneous	-	66	-	-
Office expenses	-	5,336	-	383
Office rent	-	26,959	-	-
Other	-	-	-	-
Postage	-	8,031	-	-
Provider payments/support	3,155,186	-	-	2,671
Salaries	-	354,695	-	-
Payroll taxes	-	23,759	-	-
Other taxes	-	3	-	-
Professional fees	-	18,351	-	500
Staff training	-	-	-	-
Telephone	-	3,400	-	-
Travel	-	24,052	-	-
Fundraising	-	-	1,500	-
TOTAL FUNCTIONAL EXPENSES	\$ 3,155,186	541,367	\$ 1,500	\$ 12,340

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

NOTES TO FINANCIAL STATEMENTS

LOUISIANA HOUSING ASSISTANCE CORP
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Family Day Care Home Program of Louisiana Housing Assistance Corp (hereafter referred to as the Organization), was established to provide supervised provisions of meals. It serves an average of 578 homes per month to primarily low-income, disabled, elderly or other disadvantaged residents of Rapides and surrounding parishes. It engages in the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226.

It operates on a fiscal year ending on September 30th and its significant accounting policies are as follows:

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and demand deposits. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Receivables

Accounts receivable are stated at net realizable value. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because the collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

LOUISIANA HOUSING ASSISTANCE CORP
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

Inventory

Inventory is stated at cost. It includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost. They are depreciated using the straight-line method over the estimated useful lives of the assets. Equipment with an original cost of \$500 or greater is generally capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Support and Expenses

The Organization reports administrative and program reimbursements on the accrual basis of accounting. The amounts due to providers are also reported on the accrual basis of accounting. A donor restriction applies to the program reimbursement, and the amount is shown as temporarily restricted net assets. When the donor restriction expires, that is, when the stipulated restriction ends by payments to the providers, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted reimbursements whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Advertising costs are expensed as incurred. There was \$\$0 in advertising expenses paid during the year.

LOUISIANA HOUSING ASSISTANCE CORP
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

Use of Estimates

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

Income Taxes

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The federal income tax returns of the company for fiscal years 2018, 2019, 2020, and 2021 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 2-AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at September 30, 2021:

Financial assets at year end:	
Cash and cash equivalents	\$ 101,346
Accounts receivable	<u>248,763</u>
 Total financial assets available for use over the next 12 mont	 350,109
 Less amounts not available to be used within one year:	
net assets with purpose restriction to be met in one year:	(239,680)
 Financial assets available to meet general expenditures over	
the next twelve months.	<u><u>\$ 110,429</u></u>

The Organization's goal is to maintain financial assets to meet 3 months of operating expenses. As part of its liquidity plan, cash is held in checking accounts.

LOUISIANA HOUSING ASSISTANCE CORP
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Demand deposits \$101,346

Of this amount, \$68,740 is maintained in the administrative and provider accounts to be utilized for the family day care home program. The remaining funds of \$32,606 are held by the General Fund and can be utilized at the discretion of management.

NOTE 4 - RECEIVABLES

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible at September 30, 2021.

Receivables at year-end consist of the following:

Due from Department of Education \$248,763

NOTE 5 - ACCOUNTS AND OTHER PAYABLES

Payables at year-end include the following:

Accounts payable	\$ 5,527
Payables to providers	239,680
Withholding taxes payable	877
Insurance withholding	1,949
Total	<u>\$ 248,033</u>

NOTE 6 - RESTRICTIONS ON NET ASSETS

Substantially all of the restrictions on net assets relate to amounts requested from the State of Louisiana, Department of Education for reimbursement to the providers of meals through the Family Day Care Home Program of the U.S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226. The amount due to providers requested but not yet received at year end has been accrued in the accompanying financial statements and is listed in the note above.

NOTE 7 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose during the year as follows:

Purpose restriction accomplished:

Meals provided	\$3,162,092
Administrative expenses	\$541,367

LOUISIANA HOUSING ASSISTANCE CORP
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program and supporting services have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated between the program and support services.

NOTE 9 - CONCENTRATIONS

Cash and Cash Equivalents. Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2021, the Organization did not have bank balances in excess of FDIC insured limits.

Receivables and Revenues. All receivables recorded are due from the Louisiana Department of Education, Division of Nutrition Assistance. Approximately 99% of the Organization's support is paid by the Department of Education, State of Louisiana through the U.S. Department of Agriculture Food and Nutrition Services, Family Day Care Home Program, under 7 CFR Part 226.

NOTE 10 - LITIGATION

There is no pending or threatened litigation, claims or assessments that are required to be accrued or disclosed in this financial report.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

An adjustment was recorded to correct the administrative and provider cash balance. The effect is shown on the table below:

Net assets at end of prior yar	\$ 48,203
Adjustment to restate the beginning balance of cash	<u>24,730</u>
Net assets at beginning of current year	<u><u>\$ 72,933</u></u>

NOTE 12- SUBSEQUENT EVENTS

There were no subsequent events between the close of the fiscal year and June 21, 2022, the date on which the financial statements were available to be issued, that would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**LOUISIANA HOUSING ASSISTANCE CORP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Living Number</u>	<u>Federal Expenditures</u>
Major Programs		
US Department of Agriculture Passed through from State of Louisiana Department of Education Division of Nutrition Food and Nutrition Services	10.558	
Child and Adult Care Food Program		\$ 3,645,074
COVID Child and Adult Care Food Program		<u>51,480</u>
Total federal award expenditures		<u>\$ 3,696,554</u>

**Notes to Schedule of Expenditures of Federal Awards
Year ended September 30, 2021**

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Louisiana Housing Assistance Corp under programs of the federal government for the year ended September 30, 2021.

The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of Louisiana Housing Assistance Corp., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Louisiana Housing Assistance Corp.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

Louisiana Housing Assistance Corp has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Subrecipients

There was no awards passed through to sub-recipients.

See Independent Auditor's Report.

LOUISIANA HOUSING ASSISTANCE CORP

**SCHEDULE OF PAYMENTS OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD**

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Agency Head: Suzanne Wiley, Executive Director

Compensation	73,424
FICA	5,617
Travel-Monitoring Visits	<u>2,845</u>
Total	<u><u>81,886</u></u>

See Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

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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*

To the Board of Trustees of
Louisiana Housing Assistance Corp
PO Box 7207
Alexandria, LA 71306

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Housing Assistance Corp (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated June 21, 2022.

Internal Control over Financial Reporting

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

My 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, I did identify certain deficiencies in internal control that I 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. I consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2021-001 to be a material weakness.

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. I consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-002 to be a significant deficiency.

Compliance and Other Matters

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

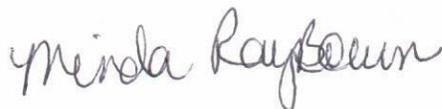
Louisiana Housing Assistance Corp., Response to Findings

Louisiana Housing Assistance Corp.'s response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Louisiana Housing Assistance Corp.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor, and federal awarding agencies and pass-through agencies 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.



Minda Raybourn CPA
Franklinton, LA
June 21, 2022

Minda B. Raybourn

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

To the Board of Trustees of
Louisiana Housing Assistance Corp

Report on Compliance for Each Major Federal Program

I have audited Louisiana Housing Assistance Corp's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Louisiana Housing Assistance Corp's major federal programs for the year ended September 30, 2021. Louisiana Housing Assistance Corp's major federal programs are 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.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Louisiana Housing Assistance Corp's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Louisiana Housing

Assistance Corp's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Louisiana Housing Assistance Corp's compliance.

Opinion on Each Major Federal Program

In my opinion, Louisiana Housing Assistance Corp complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year.

Report on Internal Control Over Compliance

Management of Louisiana Housing Assistance Corp. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Louisiana Housing Assistance Corp'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, I do not express an opinion on the effectiveness of Louisiana Housing Assistance Corp's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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.

My 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, I did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-003 that I consider to be significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

A handwritten signature in cursive script that reads "Minda Raybourn". The signature is written in black ink on a light-colored background.

Minda Raybourn, CPA
Franklinton, LA
June 21, 2022

**MINDA RAYBOURN CPA LLC
820 11TH AVE
FRANKLINTON, LA 70438**

INDEPENDENT AUDITOR'S REPORT ON CLAIMS FOR REIMBURSEMENT

To the Board of Trustees of
Louisiana Housing Assistance Corp

I have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Louisiana Housing Assistance Corp under the FDCH program. My examination was made in accordance with auditing standards established by the American Institute of Certified Public Accountants and with generally accepted government auditing standards established by the Comptroller General of the United States and included tests of programs and accounting records prescribed by the USDAOIG guide for audits of this program. In my opinion, the aforementioned claims present fairly the number of meals or supplements eligible for reimbursement for the period October 1, 2020, through September 30, 2021.



Minda Raybourn, CPA
Franklinton, LA
June 21, 2022

**LOUISIANA HOUSING ASSISTANCE CORP
AUDITED STATEMENT OF CLAIMS
YEAR ENDED SEPTEMBER 30, 2021**

REIMBURSEMENT PER AUDIT

Administrative	565,502
Program-meals	<u>3,103,706</u>
Total reimbursement per audit	<u><u>3,669,208</u></u>

REIMBURSEMENTS CLAIMED AND RECEIVED

Administrative	565,502
Program-meals	<u>3,103,706</u>
Total reimbursement claims and received	<u><u>3,669,208</u></u>

(OVER) UNDER CLAIM	<u><u>-</u></u>
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See independent auditor's report.

LOUISIANA HOUSING ASSISTANCE CORP
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS
YEAR ENDED SEPTEMBER 30, 2021

MEALS SERVED	NUMBER SERVED BY MEAL TYPE				
	BREAKFAST	LUNCH	SUPPLEMENTS	SUPPER	TOTAL
From October 1, 2020 through June 30, 2021					
Tier 1	148,663	260,246	467,037	399,127	1,275,073
Reimbursement rate	1.39	2.61	0.78	2.61	
Sub-total Tier 1	206,642	679,242	364,289	1,041,721	2,291,894
From July 1, 2022 through September 30, 2021					
Tier 1	48,920	95,352	161,033	139,522	444,827
Reimbursement rate	1.40	2.63	0.78	2.63	
Total for period	68,488	250,776	125,606	366,943	811,812
Total for period	68,488	250,776	125,606	366,943	811,812
TOTAL MEALS SERVED	197,583	355,598	628,070	538,649	1,719,900
NET REIMBURSEMENT	275,130	930,018	489,895	1,408,664	3,103,706

The information in this table does not include USDA Emergency funding or COVID 19 related funding.

See independent auditor's report.

**LOUISIANA HOUSING ASSISTANCE CORP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Louisiana Housing Assistance Corp were prepared in accordance with generally accepted accounting principles.
2. One material weakness and significant deficiency were disclosed during the audit of the financial statements in the schedule of findings and questioned costs.
3. No instances of noncompliance material to the financial statements of Louisiana Housing Assistance Corp were disclosed during the audit.
4. One significant deficiency was identified during the audit of the major federal award program. No material weaknesses were reported.
5. The auditor's report on compliance for the United States Department of Agriculture Child and Adult Care Food Program (CACFP) expresses an unmodified opinion.
6. The program tested as a major program was the United States Department of Agriculture Child and Adult Care Food Program (CACFP) (CFDA 10.558).
7. The threshold for the distinguishing Types A and B programs is as follows:

Type A- \$750,000 or more of federal awards expended

Type B- Any program that does not meet the threshold of Type A programs.
8. For the period ending September 30, 2021, Louisiana Housing Assistance Corp was determined not to be a low-risk auditee.

MANAGEMENT LETTER

None

LOUISIANA HOUSING ASSISTANCE CORP
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021

FINDINGS FINANCIAL STATEMENT AUDIT

Material Weakness

2021-001 Bank Reconciliations

CONDITION: The bank reconciliations for the administrative and provider bank accounts did not agree to the trial balance.

CRITERIA: A properly designed and implemented internal control system over financial reporting provides for reasonable assurance that financial data is accurate and complete and the organization's assets are safeguarded. Bank accounts should be reconciled monthly. Bank reconciliations should be reviewed by management for accuracy and completeness.

CAUSE: There was a lack of review between the reconciliations and the trial balance.

EFFECT: Failure to design and implement standard procedures and adequate internal controls over financial reporting exposes the organization to inaccurate or fraudulent financial reporting and misappropriation of assets. Material misstatements in the financial statements will not be prevented or detected. Fraudulent transactions will not be prevented or detected.

RECOMMENDATION: The organization needs to implement policies and procedures to review the bank reconciliation prepared by the accountant and the general ledger each month. Copies of the reconciliations and bank statements should be provided to management each month.

VIEW OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: We will implement the auditor's recommendation.

Significant Deficiency

2021-002 Administrative Expenditures

CONDITION: Twenty-two administrative expenditures were tested for source documentation and reasonableness of coding. Of the 22 disbursements sampled, four disbursements were coded to travel. Some of the expenses were travel. However, some of the expenses were for technology expenses for the reimbursement program, telephone, office rent and maintenance, professional fees, and insurance. The total amount that was misclassified was \$18,760.

CRITERIA: A properly designed and implemented internal control system over financial reporting provides for reasonable assurance that financial data is accurate and complete and the organization's assets are safeguarded. Expenditures related to grant programs should be classified as accurately and reasonably as possible to ensure correct financial reporting.

LOUISIANA HOUSING ASSISTANCE CORP
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021

CAUSE: The CPA had staff turnover resulting in the accounting for administrative expenditures to be misstated.

EFFECT: Failure to design and implement standard procedures and adequate internal controls over financial reporting exposes the organization to inaccurate or fraudulent financial reporting and misappropriation of assets. Material misstatements in the financial statements will not be prevented or detected.

RECOMMENDATION: The organization needs to implement policies and procedures to review the details of administrative expenditures on the accounting records each month. If details of the administrative expenditures are not clarified, then management should obtain explanation and correct.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION: We will implement the auditor's recommendation.

FINDINGS AND QUESTIONS CODES-MAJOR FEDERAL AWARD PROGRAM

United States Department of Agriculture

2021-003 Child and Adult Care Food Program, Assistance Listing No. 10.558, Grant period-Year Ended September 31, 2021

Significant Deficiency. As discussed in Finding 2021-002, administrative expenditures were grouped into one expense category instead of correctly classifying each expense to the proper category. Because of the improper expenditure classification, financial statements that reflect administrative expenditures will be misstated. In addition, it is possible unallowable expenditures may not be detected. Policies and procedures should be implemented to review the details of the administrative expenditures each month.

LOUISIANA HOUSING ASSISTANCE CORP
PO BOX 7207
ALEXANDIRA, LA 71306
CORRECTIVE ACTION PLAN

June 21, 2022

Louisiana Housing Assistance Inc. respectfully submits the following correction action plan for the year ended September 30, 2021.

Independent Accounting Firm: Minda B. Raybourn CPA, LLC, 820 11th Avenue, Franklinton, LA 70438

Audit period: September 30, 2021

The findings from the June 21, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINIDNGS-FINANCIAL STATEMENT AUDIT

Material Weakness

2021-001 Bank Reconciliations

Recommendation: The organization needs to implement policies and procedures to review the bank reconciliation prepared by the accountant and the general ledger each month. Copies of the reconciliations and bank statements should be provided to management each month.

Action Taken: We concur with the recommendation and will implement effective August 31, 2022

Significant Deficiency

2021-002 Administrative Expenditures

Recommendation: The organization needs to implement policies and procedures to review the details of administrative expenditures on the accounting records each month. If details of the administrative expenditures are not clarified, then management should obtain explanation and correct.

Action Taken: We concur with the recommendation and will implement effective August 31, 2022.

FINDINGS-FEDERAL AWARD PROGRAMS AUDIT

Department of Agriculture

Significant Deficiency

2021-003 See Finding 2021-001

Recommendation: The organization needs to implement policies and procedures to review the details of administrative expenditures on the accounting records each month. If details of the administrative expenditures are not clarified, then management should obtain explanation and correct.

Action Taken: We concur with the recommendation and will implement effective August 31, 2022.

**LOUISIANA HOUSING ASSISTANCE CORP
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

FINDINGS-FINANCIAL STATEMENTS

None

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM

None

MANAGEMENT LETTER

None