

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED SEPTEMBER 30, 2019

THE HOUSING AUTHORITY OF LAFOURCHE PARISH

RACELAND, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Housing Authority of Lafourche Parish, Louisiana as of and for the year ended September 30, 2019, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

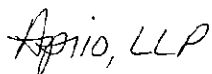
Other Information

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

The Financial Data Schedule, the Schedule of Expenditures of Federal Awards and other supplementary data are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting data and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2020 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Birmingham, Alabama
March 10, 2020

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 10, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

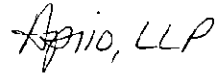
Compliance and Other Matters

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

We noted a certain other matter that we reported to management of the Authority in a separate letter dated March 10, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Birmingham, Alabama
March 10, 2020

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

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

Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended September 30, 2019. The Authority'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 the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Aprio, LLP

Birmingham, Alabama
March 10, 2020

THE HOUSING AUTHORITY OF LAFOURCHE PARISH, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SEPTEMBER 30, 2019

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2019**

The management of The Housing Authority of Lafourche Parish, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2019. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$12,720,103 at the close of the fiscal year ended 2019.
 - Of this amount \$8,262,233 represents a restriction equal to the net amount invested in land, buildings, furnishings, improvements, equipment, and construction in progress, net of related debt.
 - Also, \$427,683 of net position is restricted for mortgage escrows, repair and replacement reserves, and housing assistance payments.
- The Authority's total net position decreased by \$678,619.
- Capital assets decreased due to depreciation exceeding modernization and improvement activity during the fiscal year.
- Current assets increased moderately due to primarily to positive net operating cash inflows.
- Current liabilities increased due to the accrual of a Repayment Agreement Liability entered into with the Office of Homeland Security in August of 2019, to reimburse funds expended on a Federal Emergency Management Agency disaster grant.
- Non-current liabilities decreased slightly due to capital debt retirements.
- Restricted net position decreased due mainly to expenditures of restricted housing assistance payment and replacement reserves.
- There is \$2.76 of current assets covering each dollar of current liabilities, including the current portion of long-term debt. This ratio has decreased compared to the current ratio of \$3.96 as of fiscal year-end 2018.
- The Housing Authority owes \$3,400,218 of long-term capital debt.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is: "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2018?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

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

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

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2019**

Using this Annual Report

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

- Public Housing Program, including the Capital Fund Program
- Section 8 Housing Choice Voucher Program
- Community Development Corporation
- City Place II Housing Corporation
- Business Activities

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

Reporting the Authority's Most Significant Programs

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

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

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2019**

Financial Analysis

The Authority's net position was \$12,720,103 as of September 30, 2019. Of this amount, \$8,262,233 was a net investment in capital assets (net of accumulated depreciation and related debt), \$427,683 was restricted and the remaining \$4,030,187 was unrestricted.

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

	2019	2018	Variance
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 1,712,464	\$ 1,667,198	\$ 45,266
Capital Assets	11,728,451	12,331,385	(602,934)
Other Non-Current Assets	3,444,156	3,444,156	-
Deferred Outflows of Resources	-	-	-
	\$ 16,885,071	\$ 17,442,739	\$ (557,668)
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 463,304	\$ 300,186	\$ 163,118
Non-Current Liabilities	3,701,664	3,743,831	(42,167)
Deferred Inflows of Resources	-	-	-
	\$ 4,164,968	\$ 4,044,017	\$ 120,951
Net Position:			
Net Investment in Capital Assets	\$ 8,262,233	\$ 8,800,276	\$ (538,043)
Restricted Net Position	427,683	471,952	(44,269)
Unrestricted Net Position	4,030,187	4,126,494	(96,307)
	\$ 12,720,103	\$ 13,398,722	\$ (678,619)

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2019**

Condensed Financial Statements - Continued

The net position of the Authority decreased by \$678,619 from fiscal year 2018, as illustrated below. In the narrative that follows, the detail factors causing this change are discussed.

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

	<u>2019</u>	<u>2018</u>	<u>Variance</u>	<u>% Variance</u>
Revenues:				
Tenant Rental Revenue	\$ 1,756,543	\$ 1,725,152	\$ 31,391	2%
Operating Grants	2,085,478	2,188,187	(102,709)	-5%
Capital Grants	289,790	42,644	247,146	580%
Interest Income	3,624	3,122	502	16%
Other Income	264,293	357,487	(93,194)	-26%
Total Revenues	\$ 4,399,728	\$ 4,316,592	\$ 83,136	2%
Expenses:				
Administrative Expenses	\$ 769,741	\$ 740,943	\$ 28,798	4%
Tenant Services	5,887	5,109	778	15%
Utilities	213,521	239,066	(25,545)	-11%
Maintenance & Operations	946,926	1,025,817	(78,891)	-8%
Protective Services	30,261	65,115	(34,854)	-54%
Insurance	472,104	452,167	19,937	4%
General Expenses	164,710	144,196	20,514	14%
Interest Expense	149,287	152,005	(2,718)	-2%
HAP Payments	1,067,819	1,160,630	(92,811)	-8%
Grant Reimbursement Costs	136,000	-	136,000	-
Depreciation	1,122,091	1,092,098	29,993	3%
Total Expenses	\$ 5,078,347	\$ 5,077,146	\$ 1,201	0%
Excess Revenues Over (Under) Expenses	\$ (678,619)	\$ (760,554)	\$ 81,935	

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2019**

Explanations of Financial Analysis - Revenues

Compared with the prior fiscal year, total revenues remained relatively stable experiencing a 2% increase.

Operating grants decreased by \$102,709 due to a reduction of subsidies recognized through the Section 8 Housing Choice Voucher Program.

Capital grants increased by \$247,146 due to elevated modernization activity on the Authority's Public Housing properties.

A reduction of other income in the amount of \$93,194 partially off-set the increase of total revenue, and was a result of insurance proceeds recognized in fiscal year 2018.

Explanations of Financial Analysis - Expenses

Compared with the prior fiscal year, total expenses remained stable from fiscal year 2018.

Maintenance costs decreased due mainly to non-structural repairs made to two fire-damaged units during fiscal year 2018.

Housing assistance payments decreased moderately due primarily to reduced leasing.

Fiscal year 2019 grant reimbursement costs represent a Repayment Agreement Liability entered into with the Office of Homeland Security in August of 2019, to reimburse funds expended on a Federal Emergency Management Agency disaster grant.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2019**

Capital Assets

At September 30, 2019, the Housing Authority had a total cost basis of \$35,257,013 invested in a broad range of capital assets. More detailed information about capital assets appears in the notes to the financial statements.

	<u>2019</u>	<u>2018</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 694,394	\$ 694,394	\$ -	0%
Buildings	32,964,503	32,367,913	596,590	2%
Furniture & Equipment	1,087,806	1,064,427	23,379	2%
Construction in Process	510,310	611,122	(100,812)	-16%
Accumulated Depreciation	<u>(23,528,562)</u>	<u>(22,406,471)</u>	<u>(1,122,091)</u>	<u>5%</u>
Net Capital Assets	<u>\$ 11,728,451</u>	<u>\$ 12,331,385</u>	<u>\$ (602,934)</u>	<u>-5%</u>

Debt

City Place II Housing Corporation issued a mortgage payable to purchase land and tenant dwellings in the amount of \$3,911,600. The note incurs interest at the rate of 4.27% and is payable in equal monthly installments of \$17,867 through March 1, 2047. At the end of the current fiscal year, City Place II owed a principal balance of \$3,466,218 on the mortgage.

Long-term liabilities also include accrued annual leave due to payments expected beyond fiscal year 2020.

Loan Receivable

The Authority's Community Development Corporation, a blended component unit, made a 1% demand loan to City Place Investors, LLC (a local affiliate of the Authority) to provide financing for the City Place I Apartments. At the end of fiscal year 2019, the Community Development Corporation was owed \$3,444,156 plus accrued interest of \$696,057 on the loan. An allowance in the amount of \$696,057 is recorded against the accrued interest receivable balance.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2019**

Economic Factors

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

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

Contacting the Authority's Financial Management

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

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 907,994
Accounts Receivable, Net	26,040
Accrued Interest Receivable	167
Investments	100,000
Prepaid Costs	241,833
Inventory	3,849
Total Current Assets	<u>1,279,883</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>432,581</u>
Total Restricted Assets	<u>432,581</u>
<u>Capital Assets</u>	
Land	694,394
Buildings and Improvements	32,964,503
Furniture and Equipment	1,087,806
Construction in Progress	510,310
	<u>35,257,013</u>
(Less): Accumulated Depreciation	<u>(23,528,562)</u>
Net Capital Assets	<u>11,728,451</u>
<u>Other Assets</u>	
Notes Receivable	<u>3,444,156</u>
Total Other Assets	<u>3,444,156</u>
Total Assets	<u>16,885,071</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 16,885,071</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2019

LIABILITIES, DEFERRED INFLOWS OF
 RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 220,722
Accrued Wages and Payroll Taxes	1,590
Accrued Compensated Absences	19,827
Accrued Interest Payable	12,334
Tenant Security Deposits	91,841
Unearned Revenue	50,990
Current Portion of Capital Debt	66,000
Total Current Liabilities	<u>463,304</u>
<u>Long Term Liabilities</u>	
Long Term Capital Debt	3,400,218
Non-current Liabilities - Other	4,898
Accrued Compensated Absences	296,548
Total Long Term Liabilities	<u>3,701,664</u>
Total Liabilities	<u>4,164,968</u>
Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,164,968</u>
<u>Net Position</u>	
Net Investment in Capital Assets	8,262,233
Restricted Net Position	427,683
Unrestricted Net Position	4,030,187
Total Net Position	<u>12,720,103</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 16,885,071</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 1,756,543
Operating Grants	2,085,478
Other Revenue	264,293
Total Operating Revenues	<u>4,106,314</u>
<u>Operating Expenses</u>	
Administrative	769,741
Tenant Services	5,887
Utilities	213,521
Maintenance and Operations	946,926
Protective Services	30,261
Insurance	472,104
General Expense	164,710
Housing Assistance Payments	1,067,819
Depreciation	1,122,091
Total Operating Expenses	<u>4,793,060</u>
Operating Loss	<u>(686,746)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Interest Income	3,624
Interest Expense	(149,287)
Grant Reimbursement Costs	(136,000)
Total Non-Operating Rev/(Exp)	<u>(281,663)</u>
Decrease before Capital Contributions	<u>(968,409)</u>
Capital Contributions	<u>289,790</u>
Decrease in Net Position	(678,619)
Net Position, Beginning	13,398,722
Net Position, Ending	<u>\$ 12,720,103</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,771,978
Cash Received from Operating Grants	2,067,379
Cash Received from Other Sources	265,914
Cash Payments for Salaries and Benefits	(1,002,312)
Cash Payments to Vendors and Landlords	<u>(2,642,355)</u>
Net cash provided by operating activities	<u>460,604</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	288,478
Capital Outlay	(519,157)
Principal and Interest paid on Capital Debt	(214,409)
Net cash used by capital & related financing activities	<u>(445,088)</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and investments	<u>3,623</u>
Net cash provided by investing activities	<u>3,623</u>
Net increase in cash and cash equivalents	19,139
Total cash and cash equivalents, beginning of year	<u>1,321,436</u>
Total cash and cash equivalents, end of year	<u>\$ 1,340,575</u>
 <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Loss	\$ (686,746)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,122,091
Bad Debt Expense (Tenants)	18,089
Change in Tenant Accounts Receivable	(18,635)
Change in Accounts Receivable/Payable - Grants	(18,099)
Change in Other Accounts Receivable	(42)
Change in Prepaid Costs and Inventory	(6,127)
Change in Accounts Payable - Operating	(8,753)
Change in Accrued Expenses	23,093
Change in Unearned Revenue - Tenants	34,070
Change in Security and Escrow Deposits Held	1,663
Net cash provided (used) by operating activities	<u>\$ 460,604</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH

RACELAND, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "Enterprise Fund" in the basic financial statements as follows:

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

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

Cash and Investments

The Housing Authority considers cash on hand and cash in checking and money markets to be cash equivalents. Cash on hand is not included in the calculation of collateral required. Investments consist of \$100,000 invested in an FHLB (Federal Home Loan Bank) Bond, yielding 1.74% as of September 30, 2019. The bond matures in February of 2021. However, due to the insignificance of potential early sale penalties, the Authority considers the investment a current asset.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Gross tenant receivables total \$11,352, and are reported net of a \$5,795 allowance for doubtful accounts. Other receivables consist of \$20,441 of grant receivables, \$23,621 of gross fraud recovery receivables reported net of an \$23,621 allowance for doubtful accounts, and \$42 of other receivables.

Prepaid Items and Inventory

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Capital Assets

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

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

Authority management has assessed the carrying values of capital asset balances as of September 30, 2019, and as of March 10, 2020. No significant capital asset value impairments exist as of the noted dates.

PILOT Agreement

The Authority has entered into a Payment-in-Lieu of Taxes (PILOT) Agreement with Lafourche Parish whereby the Authority agrees to pay a negotiated sum in lieu of real property taxes. Fiscal year 2019 PILOT expense was \$53,525, all of which was payable as of fiscal year-end. The payable is reported with Accounts Payable on the Statement of Net Position.

Accounts Payable – Other Government

In fiscal year 2009, the Authority received a Federal Emergency Management Agency disaster grant to fund dwelling property repairs caused by Hurricane Gustav. During fiscal year 2019, the Office of Homeland Security determined that \$136,000 of the funds were expended on repairs which did not qualify under the specific terms of the grant. In August of 2019, the Authority entered into a Repayment Agreement with the Office of Homeland Security to reimburse the Office \$136,000 in monthly installments during fiscal year 2020. Payments began in October of 2019. The liability is reported with Accounts Payable on the Statement of Net Position.

Unearned Revenue

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

Inter-program Receivables/Payables

Inter-program receivables and payables are eliminated when preparing and presenting the Authority's financial statements. As of September 30, 2019, the Community Development Corporation and City Place II Housing Corporation, blended component units of the Authority, owed the Authority's Business Activities Program \$12,000, and \$23,995, respectively.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Revenue Accounting Policies

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

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

Cost Allocation Plan

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

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

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

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

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

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

NOTE C - SIGNIFICANT ESTIMATES

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE D - CASH AND INVESTMENT DEPOSITS

Custodial Credit Risk – The Authority policy is to limit credit risk by adherence to the list of HUD-permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

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

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

The Authority's cash and investments consist of funds held in interest bearing checking and money market accounts, and investment sweep accounts totaling \$1,340,075. The remaining \$500 is made up of petty cash accounts. Investments consist of \$100,000 invested in an FHLB bond. Deposits with financial institutions are secured as follows:

	Deposits in Bank
Insured by FDIC	\$ 682,311
Investments held in U.S. Treasury Obligations	100,000
Collateralized with specific securities in the Authority name which are held by a third-party financial institution	<u>721,381</u>
	<u>\$ 1,503,692</u>

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

NOTE E - CONTRACTUAL COMMITMENTS

The Authority had no significant outstanding contractual commitments as of September 30, 2019.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE F - PENSION PLAN

The Authority participates in the Housing-Renewal and Local Agency Retirement Plan administered by Broussard, Bush & Hurst. It is a defined contribution plan that consists of the employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Assets in the plan are recorded at market value and are administered by a private corporation under contract with the Housing Authority. All regular and full-time employees are eligible to participate in the plan after having completed six months of continuous and uninterrupted employment. The Authority contributes 8% of the eligible employees' compensation to the Plan. Employees are fully vested in the Authority's contribution after five years of continuous service. During fiscal year 2019, the Authority made the required contributions in the amount of \$42,898.

NOTE G – RISK MANAGEMENT

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

NOTE H – COMPENSATED ABSENCES

It is the Authority's policy to grant full time permanent employees vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Sick leave also accrues to full time employees to specified maximums. The employees are entitled to vacation leave balances at termination. Leave accrued but not yet paid as of September 30, 2019, is reported as a liability allocated between current and non-current.

Because management cannot reasonably estimate the amount of earned sick leave which will be utilized, the Authority has not accrued any earned but unused sick leave in its Statement of Net Position. However, management does not anticipate that the amount of earned sick leave as of fiscal year-end, that will be utilized in subsequent fiscal years will be significant to its financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I – LONG TERM LIABILITIES

- On April 1, 2001, the Corporation assumed a mortgage on the 112-unit City Place II multifamily residential project from City Place Lockport Associates, LTD. The principal balance due under the mortgage note at the time of assumption was \$3,964,461. On September 29, 2011, the Corporation refinanced the mortgage note in the amount of \$3,911,600. The note incurs interest at the rate of 4.27% and is payable in equal monthly installments of \$17,867 through March 1, 2047. The mortgage note is secured with the applicable property and the outstanding principal balance of this note, as of fiscal year-end was \$3,466,218. Interest expended during the year was \$149,287. Future projected payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2020	66,000	148,404	3,400,218
2021	70,660	143,744	3,329,558
2022	73,737	140,667	3,255,821
2023	76,948	137,456	3,178,873
2024	80,299	134,105	3,098,574
2025 - 2029	457,089	614,931	2,641,485
2030 - 2034	565,664	506,356	2,075,821
2035 - 2039	700,029	371,991	1,375,792
2040 - 2044	866,309	205,711	509,483
2045 - 2047	509,483	26,790	-
	<u><u>\$ 3,466,218</u></u>	<u><u>\$ 2,430,155</u></u>	<u><u>\$ -</u></u>

- A second mortgage was executed on the City Place II project and was payable to the Community Development Corporation of Lafourche Parish (also a component unit of The Housing Authority of Lafourche Parish). The note was in the amount of \$4,313,389 and incurred interest at a rate of 1% (non-compounded). Principal and interest was payable on the maturity date of the first mortgage. In August of 2011, the Community Development Corporation forgave the outstanding principal balance on the note of \$4,313,389. The outstanding accrued interest balance as of September 30, 2019 was \$560,741. There was no interest expense incurred during the year. Because this liability is payable to another blended component unit of the Authority, the outstanding accrued interest has been eliminated from the Authority's financial statements.

Long-term liability activity for the year ended September 30, 2019, was as follows:

	<u>October 1,</u> <u>2018 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>September 30,</u> <u>2019 Balance</u>	<u>Due Within</u> <u>One Year</u>
Long-Term Debt	\$ 3,531,109	\$ -	\$ 64,891	\$ 3,466,218	\$ 66,000
Tenant Escrow Deposits	5,037	-	139	4,898	-
Accrued Compensated Absences	292,533	48,206	24,364	316,375	19,827
Less: Current portion	(84,848)			(85,827)	
Long-Term Debt Liabilities	<u><u>\$ 3,743,831</u></u>			<u><u>\$ 3,701,664</u></u>	<u><u>\$ 85,827</u></u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – NOTES RECEIVABLE

1. In September 1998, Community Development Corporation of Lafourche Parish (a blended component unit of The Housing Authority of Lafourche Parish) issued a note to City Place Investors, LLC for \$3,444,156 to provide financing for the City Place I Apartments. The note is secured by a second mortgage on the City Place I property. The note incurs interest at 1% (non-compounded). Principal and interest are payable on the maturity date of the first mortgage. The outstanding principal balance as of September 30, 2019 was \$3,444,156 with accrued interest of \$696,057. Due to uncertainties regarding the collectability of the interest receivable, an allowance against the entire interest receivable balance has been reported as of fiscal year-end. The note matures in December of 2039.
2. The Community Development Corporation of Lafourche Parish held a second mortgage on the City Place II project. In August of 2011, the Community Development Corporation forgave the outstanding principal balance on the note of \$4,313,389. The outstanding accrued interest receivable balance as of September 30, 2019 was \$560,741. Because this asset is payable from another blended component unit of the Authority, the outstanding accrued interest receivable has been eliminated from the Authority's financial statements. See "NOTE I.2 – LONG TERM DEBT" for additional details.

NOTE K – RESTRICTED ASSETS

The Authority's restricted cash consists of the following as of September 30, 2019:

Replacement Reserve	\$	129,366
Escrow Accounts		62,312
Residual Receipts Reserve		58,928
FSS Escrow Deposits		4,898
Held for Housing Assistance Payments		<u>177,077</u>
Total Restricted Assets	\$	<u>432,581</u>

NOTE L – CONCENTRATION OF RISK

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M – CAPITAL ASSETS

A summary of capital assets at September 30, 2019 is as follows:

	<u>Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>The Cottages</u>	<u>City Place II</u>	<u>TOTAL</u>
Land	\$ 561,520	\$ -	\$ 32,874	\$ 100,000	\$ 694,394
Building and Improvements	21,211,459	120,000	1,626,660	10,006,384	32,964,503
Furniture, Fixtures and Equipment	1,034,818	21,211	-	31,777	1,087,806
Construction in Process	68,913	-	-	441,397	510,310
Less Accumulated Depreciation	<u>(17,587,691)</u>	<u>(79,393)</u>	<u>(209,494)</u>	<u>(5,651,984)</u>	<u>(23,528,562)</u>
Total Capital Assets	<u>\$ 5,289,019</u>	<u>\$ 61,818</u>	<u>\$ 1,450,040</u>	<u>\$ 4,927,574</u>	<u>\$ 11,728,451</u>

A summary of capital asset activity for the fiscal year ended September 30, 2019 is as follows:

	<u>October 1, 2018 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>September 30, 2019 Balance</u>
Land	\$ 694,394	\$ -	\$ -	\$ 694,394
Construction in Process	<u>611,122</u>	<u>293,975</u>	<u>(394,787)</u>	<u>510,310</u>
Total Assets not being depreciated	1,305,516	293,975	(394,787)	1,204,704
Buildings and Improvements	32,367,913	201,803	394,787	32,964,503
Furniture and Equipment	<u>1,064,427</u>	<u>23,379</u>	<u>-</u>	<u>1,087,806</u>
Total Capital Assets	34,737,856	519,157	-	35,257,013
Less Accumulated Depreciation				
Buildings and Improvements	(21,424,574)	(1,080,633)	-	(22,505,207)
Furniture and Equipment	<u>(981,897)</u>	<u>(41,458)</u>	<u>-</u>	<u>(1,023,355)</u>
Net Book Value	<u>\$ 12,331,385</u>	<u>\$ (602,934)</u>	<u>\$ -</u>	<u>\$ 11,728,451</u>

City Place II Housing Corporation's construction in process of \$394,787 has been placed-in-service as of October 1, 2018.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N – OTHER COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE O – BLENDED COMPONENT UNITS FINANCIAL STATEMENTS

Blended Component Units - Condensed Statement of Net Position

	City Place II Housing Corporation 9/30/2019	Community Development Corporation 9/30/2019	Elimination	Total Blended Component Units 9/30/2019
Assets				
Current and restricted assets	\$ 351,539	\$ 25,480	\$ -	\$ 377,019
Capital assets	4,927,574	1,450,040	-	6,377,614
Notes receivable	-	3,444,156	-	3,444,156
Interest receivable due from CPII	-	560,741	(560,741)	-
Total assets	5,279,113	5,480,417	(560,741)	10,198,789
Liabilities				
Current liabilities	315,540	2,548	-	318,088
Current liabilities due to The HA of LP	12,000	23,995	-	35,995
Non-current interest payable due to CDC	560,741	-	(560,741)	-
Other non-current liabilities	3,400,218	-	-	3,400,218
Total liabilities	4,288,499	26,543	(560,741)	3,754,301
Net position				
Net investment in capital assets	1,461,356	1,450,040	-	2,911,396
Restricted net position	250,606	-	-	250,606
Unrestricted net position	(721,348)	4,003,834	-	3,282,486
Total net position	\$ 990,614	\$ 5,453,874	\$ -	\$ 6,444,488

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – BLENDED COMPONENT UNIT FINANCIAL STATEMENTS – CONTINUED

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

	City Place II Housing Corporation FY 2019	Community Development Corporation FY 2019	Total Blended Component Units FY 2019
Revenues			
Tenant rental revenue	\$ 1,004,115	\$ 61,136	\$ 1,065,251
Other operating revenue	59,619	456	60,075
Investment income	106	-	106
Total revenues	1,063,840	61,592	1,125,432
Expenses			
Administrative and general expenses	285,084	17,869	302,953
Management fees to The HA of LP	24,000	12,000	36,000
Maintenance and utilities	410,732	29,565	440,297
Interest expense	149,287	-	149,287
Grant reimbursement costs	136,000	-	136,000
Depreciation	325,103	49,292	374,395
Total expenses	1,330,206	108,726	1,438,932
Decrease in Net Position	(266,366)	(47,134)	(313,500)
Beginning net position	1,256,980	5,501,008	6,757,988
Ending net position	\$ 990,614	\$ 5,453,874	\$ 6,444,488

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – BLENDED COMPONENT UNIT FINANCIAL STATEMENTS – CONTINUED

Blended Component Units - Condensed Statement of Cash Flows

	City Place II Housing Corporation FY 2019	Community Development Corporation FY 2019	Total Blended Component Units FY 2019
Cash flows from (used by)			
operating activities			
Fees to The HA of LP	\$ (12,000)	\$ (12,000)	\$ (24,000)
Operating Borrowings from The HA of LP	-	1,227	1,227
Other operating activities	397,781	10,013	407,794
From (used by) all operating activities	385,781	(760)	385,021
Used by all capital and related financing activities	(443,465)	-	(443,465)
From all investing activities	106	-	106
Net decrease in cash and equivalents	(57,578)	(760)	(58,338)
Beginning current and restricted cash	362,488	15,770	378,258
Ending current and restricted cash	\$ 304,910	\$ 15,010	\$ 319,920

NOTE P – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through March 10, 2020, the date the financial statements were available to be issued.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2019

EXPENDITURES

Public Housing Program	
Total CFDA Number 14.850a	<u>\$ 774,488</u>
Section 8 Housing Choice Voucher Program	
Total CFDA Number 14.871	<u>1,146,927</u>
Capital Fund Program	
Total CFDA Number 14.872	<u>453,853</u>
TOTAL HUD EXPENDITURES	<u>2,375,268</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 2,375,268</u>

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2019. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

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

RACELAND, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2019

EXPENDITURES

Non-cash Federal Assistance - HUD National Assistance Act, Section 221 (d)(4) Total CFDA Number 14.135	\$ 3,531,109
TOTAL HUD EXPENDITURES	<u>3,531,109</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 3,531,109</u>

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Corporation under programs of the federal government for the year ended September 30, 2019. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Corporation, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Corporation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – LOAN BALANCE

The Corporation's outstanding loan balance as of September 30, 2019 was \$3,466,218.

Housing Authority of Lafourche Parish (LA080)

RACELAND, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2019

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
111 Cash - Unrestricted	\$ 614,297	\$ 148,162	\$ 10,409	\$ 12,910	\$ 30,375	\$ -	\$ 816,153
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	181,975	250,606	-	-	-	432,581
114 Cash - Tenant Security Deposits	45,846	-	43,895	2,100	-	-	91,841
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-
100 Total Cash	\$ 660,143	\$ 330,137	\$ 304,910	\$ 15,010	\$ 30,375	\$ -	\$ 1,340,575
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	8,051	12,390	-	-	-	-	20,441
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	42	-	-	42
126 Accounts Receivable - Tenants	10,765	-	500	87	-	-	11,352
126.1 Allowance for Doubtful Accounts - Tenants	(5,795)	-	-	-	-	-	(5,795)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-
128 Fraud Recovery	-	23,621	-	-	-	-	23,621
128.1 Allowance for Doubtful Accounts - Fraud	-	(23,621)	-	-	-	-	(23,621)
129 Accrued Interest Receivable	167	-	-	-	-	-	167
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 13,188	\$ 12,390	\$ 500	\$ 129	\$ -	\$ -	\$ 26,207
131 Investments - Unrestricted	100,000	-	-	-	-	-	100,000
132 Investments - Restricted	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	182,634	2,729	46,129	10,341	-	-	241,833
143 Inventories	4,051	-	-	-	-	-	4,051
143.1 Allowance for Obsolete Inventories	(202)	-	-	-	-	-	(202)
144 Inter Program Due From	-	-	-	-	35,995	(35,995)	-
145 Assets Held for Sale	-	-	-	-	-	-	-
150 Total Current Assets	\$ 959,814	\$ 345,256	\$ 351,539	\$ 25,480	\$ 66,370	\$ (35,995)	\$ 1,712,464
161 Land	561,520	-	100,000	32,874	-	-	694,394
162 Buildings	17,877,312	120,000	7,760,331	1,626,660	-	-	27,384,303
163 Furniture, Equipment & Machinery - Dwellings	341,258	-	-	-	-	-	341,258
164 Furniture, Equipment & Machinery - Administration	693,560	21,211	31,777	-	-	-	746,548

Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2019

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	1 Business Activities	ELIM	Total Enterprise Fund
165 Leasehold Improvements	3,334,147	-	2,246,053	-	-	-	5,580,200
166 Accumulated Depreciation	(17,587,691)	(79,393)	(5,651,984)	(209,494)	-	-	(23,528,562)
167 Construction in Progress	68,913	-	441,397	-	-	-	510,310
168 Infrastructure	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 5,289,019	\$ 61,818	\$ 4,927,574	\$ 1,450,040	\$ -	\$ -	\$ 11,728,451
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	3,444,156	-	-	3,444,156
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-
174 Other Assets	-	-	-	560,741	-	(560,741)	-
176 Investments in Joint Ventures	-	-	-	-	-	-	-
180 Total Non-Current Assets	\$ 5,289,019	\$ 61,818	\$ 4,927,574	\$ 5,454,937	\$ -	\$ (560,741)	\$ 15,172,607
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 6,248,833	\$ 407,074	\$ 5,279,113	\$ 5,480,417	\$ 66,370	\$ (596,736)	\$ 16,885,071
311 Bank Overdraft	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	7,927	830	14,559	-	-	-	23,316
313 Accounts Payable >90 Days Past Due	-	-	-	416	-	-	416
321 Accrued Wage/Payroll Taxes Payable	1,590	-	-	-	-	-	1,590
322 Accrued Compensated Absences - Current Portion	18,920	907	-	-	-	-	19,827
324 Accrued Contingency Liability	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	12,334	-	-	-	12,334
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	53,525	-	136,000	-	-	-	189,525
341 Tenant Security Deposits	45,846	-	43,895	2,100	-	-	91,841
342 Unearned Revenue	1,968	6,238	42,752	32	6,238	-	50,990
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	66,000	-	-	-	66,000
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-
345 Other Current Liabilities	2,342	-	-	-	-	-	2,342
346 Accrued Liabilities - Other	5,123	-	-	-	-	-	5,123
347 Inter Program - Due To	-	-	12,000	23,995	-	(35,995)	-

Housing Authority of Lafourche Parish (LA080)

RACELAND, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2019

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
348 Loan Liability - Current	-	-	-	-	-	-	-
310 Total Current Liabilities	\$ 137,241	\$ 7,975	\$ 327,540	\$ 26,543	\$ -	\$ (35,995)	\$ 463,304
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	3,400,218	-	-	-	3,400,218
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	4,898	560,741	-	-	(560,741)	4,898
354 Accrued Compensated Absences - Non Current	284,246	12,302	-	-	-	-	296,548
355 Loan Liability - Non Current	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 284,246	\$ 17,200	\$ 3,960,959	\$ -	\$ -	\$ (560,741)	\$ 3,701,664
300 Total Liabilities	\$ 421,487	\$ 25,175	\$ 4,288,499	\$ 26,543	\$ -	\$ (596,736)	\$ 4,164,968
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	5,289,019	61,818	1,461,356	1,450,040	-	-	8,262,233
511.4 Restricted Net Position	-	177,077	250,606	-	-	-	427,683
512.4 Unrestricted Net Position	538,327	143,004	(721,348)	4,003,834	66,370	-	4,030,187
513 Total Equity - Net Assets / Position	\$ 5,827,346	\$ 381,899	\$ 990,614	\$ 5,453,874	\$ 66,370	\$ -	\$ 12,720,103
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 6,248,833	\$ 407,074	\$ 5,279,113	\$ 5,480,417	\$ 66,370	\$ (596,736)	\$ 16,885,071

Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2019

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
70300 Net Tenant Rental Revenue	\$ 689,481	\$ -	\$ 967,647	\$ 61,136	\$ -	\$ (32,203)	\$ 1,686,061
70400 Tenant Revenue - Other	34,014	-	36,468	-	-	-	70,482
70500 Total Tenant Revenue	\$ 723,495	\$ -	\$ 1,004,115	\$ 61,136	\$ -	\$ (32,203)	\$ 1,756,543
70600 HUD PHA Operating Grants	938,551	1,146,927	-	-	-	-	2,085,478
70610 Capital Grants	289,790	-	-	-	-	-	289,790
70710 Management Fee	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-
70700 Total Fee Revenue	\$ 1,228,341	\$ 1,146,927	\$ -	\$ -	\$ -	\$ -	\$ 2,375,268
70800 Other Government Grants	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	2,511	828	11	-	179	-	3,529
71200 Mortgage Interest Income	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-
71400 Fraud Recovery	-	57,030	-	-	-	-	57,030
71500 Other Revenue	147,027	161	59,619	456	36,000	(36,000)	207,263
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	95	-	-	-	95
70000 Total Revenue	\$ 2,101,374	\$ 1,204,946	\$ 1,063,840	\$ 61,592	\$ 36,179	\$ (68,203)	\$ 4,399,728
91100 Administrative Salaries	236,240	57,181	45,387	-	16,012	-	354,820
91200 Auditing Fees	16,550	12,550	10,500	-	-	-	39,600
91300 Management Fee	-	-	69,571	12,000	-	(36,000)	45,571
91310 Book-keeping Fee	-	-	-	-	-	-	-
91400 Advertising and Marketing	102	-	4,850	-	-	-	4,952
91500 Employee Benefit contributions - Administrative	106,230	32,068	13,820	-	1,225	-	153,343
91600 Office Expenses	49,518	24,994	33,122	1,659	6	-	109,299
91700 Legal Expense	3,094	-	-	-	-	-	3,094
91800 Travel	8,514	4,331	2,788	-	-	-	15,633
91810 Allocated Overhead	-	-	-	-	-	-	-

Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2019

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
91900 Other	16,903	26,526	-	-	-	-	43,429
91000 Total Operating - Administrative	\$ 437,154	\$ 157,650	\$ 180,038	\$ 13,659	\$ 17,243	\$ (36,000)	\$ 769,741
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
92400 Tenant Services - Other	1,090	-	4,797	-	-	-	5,887
92500 Total Tenant Services	\$ 1,090	\$ -	\$ 4,797	\$ -	\$ -	\$ -	\$ 5,887
93100 Water	66,311	-	32,144	-	-	-	98,455
93200 Electricity	36,556	-	15,918	43	-	-	52,517
93300 Gas	50,551	-	-	-	-	-	50,551
93400 Fuel	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-
93600 Sewer	11,998	-	-	-	-	-	11,998
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-
93000 Total Utilities	\$ 165,416	\$ -	\$ 48,062	\$ 43	\$ -	\$ -	\$ 213,521
94100 Ordinary Maintenance and Operations - Labor	248,555	-	57,074	17,399	-	-	333,028
94200 Ordinary Maintenance and Operations - Materials and Other	136,033	-	186,594	61	-	-	322,688
94300 Ordinary Maintenance and Operations Contracts	57,639	-	88,578	4,485	-	-	150,702
94500 Employee Benefit Contributions - Ordinary Maintenance	108,007	-	20,424	7,577	-	-	136,008
94000 Total Maintenance	\$ 550,234	\$ -	\$ 362,670	\$ 29,522	\$ -	\$ -	\$ 942,426
95100 Protective Services - Labor	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	30,261	-	-	-	-	-	30,261
95300 Protective Services - Other	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-
95000 Total Protective Services	\$ 30,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,261
96110 Property Insurance	165,530	-	102,001	8,384	-	-	275,915
96120 Liability Insurance	13,949	5,761	-	1,396	-	-	21,106

Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2019

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance, Rental and Cooperative Housing for Moderate Income	Community Development Corporation	1 Business Activities	ELIM	Total Enterprise Fund
96130 Workmen's Compensation	33,498	2,479	-	-	-	-	35,977
96140 All Other Insurance	133,435	-	-	5,671	-	-	139,106
96100 Total Insurance Premiums	\$ 346,412	\$ 8,240	\$ 102,001	\$ 15,451	\$ -	\$ -	\$ 472,104
96200 Other General Expenses	3,319	19,323	158,248	-	-	-	180,890
96210 Compensated Absences	40,067	8,139	-	-	-	-	48,206
96300 Payments in Lieu of Taxes	53,525	-	-	-	-	-	53,525
96400 Bad debt - Tenant Rents	17,330	-	-	759	-	-	18,089
96500 Bad debt - Mortgages	-	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-	-
96000 Total Other General Expenses	\$ 114,241	\$ 27,462	\$ 158,248	\$ 759	\$ -	\$ -	\$ 300,710
96710 Interest of Mortgage (or Bonds) Payable	-	-	149,287	-	-	-	149,287
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ 149,287	\$ -	\$ -	\$ -	\$ 149,287
96900 Total Operating Expenses	\$ 1,644,805	\$ 193,352	\$ 1,005,103	\$ 59,434	\$ 17,243	\$ (36,000)	\$ 2,883,937
97000 Excess of Operating Revenue over Operating Expenses	\$ 456,569	\$ 1,011,594	\$ 58,737	\$ 2,158	\$ 18,936	\$ (32,203)	\$ 1,515,791
97100 Extraordinary Maintenance	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	4,500	-	-	-	-	-	4,500
97300 Housing Assistance Payments	-	1,100,022	-	-	-	(32,203)	1,067,819
97350 HAP Portability-In	-	-	-	-	-	-	-
97400 Depreciation Expense	744,061	3,635	325,103	49,292	-	-	1,122,091
97500 Fraud Losses	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-
90000 Total Expenses	\$ 2,393,366	\$ 1,297,009	\$ 1,330,206	\$ 108,726	\$ 17,243	\$ (68,203)	\$ 5,078,347
10010 Operating Transfer In	160,063	-	-	-	-	(160,063)	-

Housing Authority of Lafourche Parish (LA080)

RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2019

	Project Total	14.871 Housing Choice Vouchers	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	Community Development Corporation	Business Activities	ELIM	Total Enterprise Fund
10020 Operating transfer Out	(160,063)	-	-	-	-	160,063	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (291,992)	\$ (92,063)	\$ (266,366)	\$ (47,134)	\$ 18,936	\$ -	\$ (678,619)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 6,119,338	\$ 473,962	\$ 1,256,980	\$ 5,501,008	\$ 47,434	\$ -	\$ 13,398,722
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ 204,822	\$ -	\$ -	\$ -	\$ -	\$ 204,822
11180 Housing Assistance Payments Equity	\$ -	\$ 177,077	\$ -	\$ -	\$ -	\$ -	\$ 177,077
11190 Unit Months Available	3,286	3,252	1,344	84	-	-	7,966
11210 Number of Unit Months Leased	3,185	2,335	1,326	84	-	-	6,930
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	77,237	-	-	-	-	-	77,237
11630 Furniture & Equipment - Dwelling Purchases	18,782	-	-	-	-	-	18,782
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	193,771	-	-	-	-	-	193,771
11660 Infrastructure Purchases	-	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2019

Section I: Summary of Auditor's Results:

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes

No

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

Yes

None
Reported

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

Yes

No

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified?

Yes

No

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

Yes

None
Reported

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

Unmodified

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

Yes

No

Identification of major programs:

CFDA No.

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

14.135

Public Housing Program

14.850a

Capital Fund Program

14.872

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

Is the auditee identified as a low-risk auditee?

Yes

No

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2019

Section II: Financial Statement Findings:

Prior Year Findings and Questioned Costs

None

Current Year Findings and Questioned Costs

None

Section III: Federal Award Findings and Questioned Costs:

Prior Year Findings and Questioned Costs

None

Current Year Findings and Questioned Costs

None

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

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

YEAR ENDED SEPTEMBER 30, 2019

EXPENDITURE PURPOSE

Salary	<u>\$ 156,722</u>
Benefits - Insurance	<u>15,213</u>
Benefits - Retirement	<u>12,507</u>
Registration Fees	<u>850</u>
Conference Travel	<u>5,084</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 190,376</u></u>

Agency Head: Beryl Pitre, Executive Director

Basis of Presentation:

The above Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of the *Louisiana Revised Statute (R.S.) 24:513A.(3)*, as amended by *Act 706 of the 2014 Legislative Session*.

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

RACELAND, LOUISIANA

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

YEAR ENDED SEPTEMBER 30, 2019

EXPENDITURE PURPOSE

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

Agency Head: Beryl Pitre, Chief Executive Officer

Basis of Presentation:

The above Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of the *Louisiana Revised Statute (R.S.) 24:513A.(3)*, as amended by *Act 706 of the 2014 Legislative Session*.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by The Housing Authority of Lafourche Parish and the Louisiana Legislative Auditor (LLA) on the applicable control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2018 through September 30, 2019. The Authority's management is responsible for those C/C areas identified in the SAUPs.

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

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

The associated results and conclusions are as follows:

Written Policies and Procedures

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

Board

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

Collections

The Authority does not accept cash, and accepts non-cash payments at one centralized location. Receipts are deposited and posted daily, and reconciled by the Authority's Fee Accountant. The Authority approved a written policy for collections in June of 2019, in response to response to the fiscal year 2018 Independent Accountant's Report on Applying Agreed Upon Procedures. The approved policy appeared to be complete with respect to receiving, recording and preparing deposits.

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

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Aprio, LLP

Birmingham, Alabama
March 10, 2020

ADDENDUM A

Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures
Year 3 – Fiscal Years Ending 6/30/2019 through 5/31/2020

Procedures

Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity’s ethics policy.
 - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

***Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures
Year 3 – Fiscal Years Ending 6/30/2019 through 5/31/2020***

- k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.¹ *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Collections (excluding EFTs)

- 3. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire

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Year 3 – Fiscal Years Ending 6/30/2019 through 5/31/2020***

of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

ADDENDUM B

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED-UPON PROCEDURES

CORRECTIVE ACTION PLAN

SEPTEMBER 30, 2019

Written Policies and Procedures

The Authority will update its written policies to include the procedures for adding vendors to the Master Vendor List, debt service procedures, disaster recovery procedures and the annual signature attestation with respect to reading the Ethics Policy.

Board

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