

August 4, 2020

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Attached is a revised audit report for the Housing Authority of the City Shreveport for the year ended September 30, 2019. The report was reissued to correct an error in the reporting of restricted cash and restricted net position. The accounts affected are as follows:

September 30, 2019	As Previously Reporty	Adjustments	As Restated
Cash and Cash Equivalents	9,440,309	(231,829)	9,208,480
Restricted Cash	488,624	231,829	720,453
Restricted Net Position	(197,537)	(231,829)	(429,366)
Unrestricted Net Position	(14,120,353)	231,829	(13,888,524)

The following changes were made to the report:

Table of Contents – Change in page numbers 27-42

Page 1 - Independent Auditors' report – Added emphasis of matter paragraph – Reissuance of Financial Statements

Page 2 - Independent Auditors' Report – Dual dated report

Page 10 – Table 1 - Restricted Net Position and Unrestricted Net position was updated to reflect the adjustment shown above

Page 10 – Table 2 – Transfer from (to) Restricted Assets changed

Page 14 – The Cash and Cash equivalents decreased by \$231,829 and Restricted Cash increased by \$231,829

Page 15 – The Restricted Net Position increased by \$231,829 and Unrestricted Net Position decreased by \$231,829

Page 26 – Note Q was updated to include the Cash restricted for HAP payments and Restricted Net Position restricted for HAP in the amount of \$231,829

Page 27 – New page added to add Note U – Restatement related to restricted net position

Original pages 27- 41 page numbers changed due to the additional footnote. There were no other changes to these pages.

Please feel free to contact me if you have any questions regarding restated financial statements

Sincerely,

Becky McCune

**THE HOUSING AUTHORITY
OF THE CITY OF SHREVEPORT
SHREVEPORT, LOUISIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED SEPTEMBER 30, 2019**

THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT

SHREVEPORT, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Shreveport
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Shreveport 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors' 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.

Reissuance of Financial Statements

As discussed in Note U to the financial statements, subsequent to the issuance of the audit report dated March 30, 2020, certain facts were discovered related to the Authority's Restricted Cash and Restricted Net Position

which required a reclassification of the September 30, 2019 financial statements. Our opinion is not modified with respect to that matter.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 13 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.

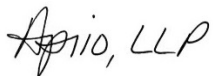
Other Information

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 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 Auditors' 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 30, 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 30, 2020 (except for Note Q and Note U, as to which the date is August 4, 2020)

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

Board of Commissioners
The Housing Authority of the City of Shreveport
Shreveport, 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 30, 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 weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Aprio, LLP

Birmingham, Alabama
March 30, 2020

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

Board of Commissioners
The Housing Authority of the City of Shreveport
Shreveport, 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 Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards (Uniform Guidance)*. Those standards and 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 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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with *Uniform Guidance*.

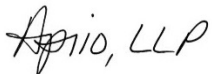
Report on Internal Control Over Compliance

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

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

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

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 *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.



Birmingham, Alabama
March 30, 2020

Management's Discussion and Analysis

The Housing Authority of the City of Shreveport, Louisiana September 30, 2019

Preamble

The Housing Authority of the City of Shreveport ("hereinafter called the "Authority") is an autonomous, quasi-governmental entity (referred to as a special-purpose government by GASB Statement Number 34) which is predominately funded through the United States Department of Housing and Urban Development operating subsidies and modernization of capital grants. Even though the Authority collects rent from its tenants, without HUD funding, the Authority would not be able to sustain its operations and activities.

Presentation

The requirements of GASB Statement No. 34 mandate all local governmental financial statements to include a Management Discussion & Analysis (MD&A). The goal of the MD&A is to give readers an objective and easily readable overview of the Authority's financial performance. The MD&A is designed to focus on the Authority's most relevant financial information regarding overall financial performance to aid users on assessing whether financial position has improved or deteriorated as a result of the year's operations. Hereinafter, the Authority will briefly discuss the enclosed financial statements and will describe, as well, the currently known facts, decisions, or conditions expected to have a significant impact on financial position or the results of operations.

FINANCIAL HIGHLIGHTS

- The Authority's Net Position increased at year end by \$902,328. Since the Authority engages only in business-type activities, the increase is all in the category of business-type Net Position. Net Position was \$23,892,617 and \$24,794,945 for 2018 and 2019 respectively.
- The Authority's revenues decreased by \$3,617,656 during 2019. Revenues were \$22,070,654 and \$18,452,998 for 2018 and 2019 respectively.
- Total program expenses of the Authority's programs decreased by \$1,070,059. Total expenses were \$18,620,729 and \$17,550,670 for 2018 and 2019 respectively.

REVIEW OF THIS ANNUAL REPORT

The following information is for review and consideration:

MD&A

Management's Discussion and Analysis

Basic Financial Statements

Authority Wide Financial Statements
Notes to the Financial Statements

Other Required Supplementary Information

Required Supplementary Information

Authority-Wide Financial Statements

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consist of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income and HUD subsidies, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the “Changes in Net Position”, which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

Enterprise Fund

The Authority consists exclusively of an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Significant Programs of the Authority:

Low Rent Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority’s properties.

Capital Fund Program – Under the Capital Fund Program, the Authority administers various constructions contracts to maintain the apartments long term viability.

Section 8 Housing Choice Vouchers Program – Under the Section 8 Housing Choice Vouchers Program, the Board administers contracts with independent landlords that own the property. The Board subsidizes the family’s rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Board to structure a lease that sets the participants’ rent at 30% of household income.

Central Office Cost Center (COCC) – The Authority established the COCC to manage and oversee the operations of the Public Housing Developments, Housing Choice Vouchers Program, and other grant programs. Utilizing a “fee for service” approach, the COCC recognizes revenues through management and service fees charged to the other programs. Management fees cannot exceed the “safe harbor” amount established by HUD.

Other programs are:

- Resident Opportunity and Self Sufficiency – Service Coordinator
- Juvenile Reentry Assistance Program
- State and Local
- Business Activities
- HOPE VI

Table 1 reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-Type Activities.

Table 1
STATEMENT OF NET POSITION AS RESTATED

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Assets:			
Current Assets & Restricted Assets	\$ 10,673,834	\$ 9,075,434	\$ 1,598,400
Capital and Non-Current Assets	16,023,131	16,608,682	(585,551)
Total Assets	<u>\$ 26,696,965</u>	<u>\$ 25,684,116</u>	<u>\$ 1,012,849</u>
Liabilities:			
Current Liabilities	\$ 896,592	\$ 841,414	\$ 55,178
Non Current Liabilities	1,005,428	950,085	55,343
Total Liabilities	<u>\$ 1,902,020</u>	<u>\$ 1,791,499</u>	<u>\$ 110,521</u>
Net Position			
Net Investment in Capital Assets	\$ 10,477,055	\$ 11,055,666	\$ (578,611)
Restricted Net Position	429,366	-	429,366
Unrestricted Net Position	13,888,524	12,836,951	1,051,573
Total Net Position	<u>\$ 24,794,945</u>	<u>\$ 23,892,617</u>	<u>\$ 902,328</u>

Major Factors Affecting the Statement of Net Position

As illustrated, in the Statement of Net Position, the overall Net Position of the Authority increased by \$902,328. Current and restricted assets increased by \$1,598,400. Current and restricted assets increased primarily due to an increase in cash offset by a decrease in receivables and prepaid expenses. Capital assets decreased as a result of depreciation expense exceeding capital asset additions. Liabilities increased slightly due to increases in accounts payable, unearned revenues and other accrued expenses.

Table 2 presents details on the change in Unrestricted Net Position as restated

Table 2

Unrestricted Net Position, September 30, 2018	\$ 12,836,951
Results of Operations	517,206
Transfer from (to) Restricted Assets	(429,366)
Capital Additions from Operations	(141,903)
Investment Income	272,385
Bad Debt Mortgages	(34,573)
Depreciation Expense	<u>867,824</u>
Unrestricted Net Position, September 30, 2019	<u>\$ 13,888,524</u>

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

Table 3
Statement of Revenues and Expenses

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 1,286,201	\$ 1,565,109	\$ (278,908)
Operating Grants	15,761,359	16,015,378	(254,019)
Capital Grants Received	147,310	230,011	(82,701)
Investment Income	272,385	108,563	163,822
Other Income	985,743	1,099,427	(113,684)
Gain on Disposition of Assets	-	3,052,166	(3,052,166)
	<u>\$ 18,452,998</u>	<u>\$ 22,070,654</u>	<u>\$ (3,617,656)</u>
Expenses:			
Administrative Expenses	\$ 2,347,896	\$ 2,230,422	\$ 117,474
Tenant Services	128,507	126,000	2,507
Utilities	276,371	354,202	(77,831)
Maintenance & Operations	784,104	925,919	(141,815)
General Expense	1,433,814	1,711,565	(277,751)
Bad Debt Mortgages	34,573	641,856	(607,283)
HAP Payments	11,677,581	11,301,318	376,263
Depreciation	867,824	1,329,447	(461,623)
	<u>\$ 17,550,670</u>	<u>\$ 18,620,729</u>	<u>\$ (1,070,059)</u>
Excess (Deficiency) Revenues Over Expenses	<u><u>\$ 902,328</u></u>	<u><u>\$ 3,449,925</u></u>	<u><u>\$ (2,547,597)</u></u>

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

There was a decrease in the excess of revenues over expenses from the prior year. The decrease was due to a decrease in revenues exceeding a decrease in expenses. Revenues decreased primarily due to a decrease in gain on disposition of assets due to the prior year sale of 132 units to Shreveport BDB Housing Partners, LLC. Tenant revenues decreased due to the loss of revenue from the sale the 132 units. Operating grants decreased due to a decrease in public housing operating subsidy as well as a decrease in amounts drawn for operating purposes from capital fund grants. Capital grants decreased due to a decrease in modernization contracts. Investment income increased due to interest income received on the Shreveport BDB Housing Partners, LLC note receivable. Other income decreased due to a decrease in developer fees offset by an increase in Port in vouchers administrative fees received.

Expenses decreased primarily due decreases in general expenses, bad debt and depreciation expense offset by an increase in HAP payments. General expenses decreased due to prior year RAD conversion costs. Bad Debt expense decreased due to the Authority fully reserving a \$600,000 promissory note from Shreveport BDB Housing Partners, LLC in the prior year. Depreciation expense decreased due to the prior year sale of 132 units to Shreveport BDB Housing Partners, LLC. HAP payments increased due to an increase in Port in vouchers during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$10,477,055 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of 5% from the end of last year.

TABLE 4

	2019	2018	Variance	% Change
Land	\$ 2,140,912	\$ 2,065,304	\$ 75,608	4%
Buildings and Improvements	41,303,145	41,242,795	60,350	0%
Furniture and Equipment	2,132,892	2,126,947	5,945	0%
Construction in Progress	1,694,949	1,547,639	147,310	10%
Accumulated Depreciation	(36,794,843)	(35,927,019)	(867,824)	2%
 Net Capital Assets	 \$ 10,477,055	 \$ 11,055,666	 \$ (578,611)	 -5%

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, October 1, 2018	\$ 11,055,666
Additions:	
Capital Fund Program - Improvements	147,310
Operating Funds - Improvements and Equipment	141,903
Depreciation Expense	(867,824)
Ending Balance, September 30, 2019	\$ 10,477,055

Debt

As of fiscal year-end, the Authority's only long-term debt outstanding was a repayment agreement with HUD in the amount of \$523,054.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Bobby Collins, Executive Director, Shreveport Housing Authority. Specific requests may be submitted to Bobby Collins, Executive Director, Shreveport Housing Authority, 2500 Line Avenue, Shreveport, Louisiana 71104.

THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT, LOUISIANA
 STATEMENT OF NET POSITION AS RESTATED
 SEPTEMBER 30, 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 9,208,480
Accounts Receivable - Other	517,433
Tenants Accounts Receivable (Allowance for Doubtful Accounts)	35,149 (164,016)
Notes Receivable	184,127
Interest Receivable	23,775
Prepaid Costs	148,433
Total Current Assets	<u>9,953,381</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>720,453</u>
Total Restricted Assets	<u>720,453</u>
<u>Capital Assets</u>	
Land	2,140,912
Buildings and Improvements	41,303,145
Furniture and Equipment	2,132,892
Construction in Progress	1,694,949
	<u>47,271,898</u>
(Less): Accumulated Depreciation	<u>(36,794,843)</u>
Net Capital Assets	<u>10,477,055</u>
<u>Other Non-Current Assets</u>	
Notes and Interest Receivable net of Allowances of \$1,137,803	<u>5,546,076</u>
Total Other Non-Current Assets	<u>5,546,076</u>
<u>Deferred Outflows of Resources</u>	
	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 26,696,965</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT, LOUISIANA
 STATEMENT OF NET POSITION AS RESTATED
 SEPTEMBER 30, 2019

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 404,650
Accrued Wages and Payroll Taxes	95,064
Accrued Compensated Absences	51,067
Accrued PILOT	71,815
Tenant Security Deposits	101,744
Unearned Revenues	87,298
Other Current Liabilities	37,404
Current Portion -- Due to HUD	47,550
Total Current Liabilities	<u>896,592</u>
<u>Long-Term Liabilities</u>	
Accrued Compensated Absences	94,837
FSS Escrows	291,087
Deferred Ground Lease	144,000
Non - Current Portion -- Due to HUD	475,504
Total Long-Term Liabilities	<u>1,005,428</u>
Total Liabilities	<u>1,902,020</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	
Net Investment in Capital Assets	10,477,055
Restricted Net Position	429,366
Unrestricted Net Position	13,888,524
Total Net Position	<u>24,794,945</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 26,696,965</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 1,286,201
Operating Grants	15,761,359
Other Income	985,743
Total Operating Revenues	<u>18,033,303</u>
<u>Operating Expenses</u>	
Administrative	2,347,896
Tenant Services	128,507
Utilities	276,371
Maintenance and Operations	784,104
General	1,433,814
Housing Assistance Payments	11,677,581
Depreciation	867,824
Total Operating Expenses	<u>17,516,097</u>
Operating Income (Loss)	<u>517,206</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	36,850
Interest from Mortgages Receivable	235,535
Bad Debt Mortgages	(34,573)
Total Non-Operating Revenues/(Expenses)	<u>237,812</u>
Increase (Decrease) in Net Position Before Capital Contributions and Transfers	<u>755,018</u>
Capital Contributions	<u>147,310</u>
Increase (Decrease) in Net Position	902,328
Net Position, Beginning	23,892,617
Net Position, Ending	<u>\$ 24,794,945</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,300,747
Cash Received from Operating Grants	16,046,652
Cash Received from Other Sources	985,743
Cash Payments for Salaries & Benefits	(2,252,428)
Cash Payments to Vendors & Landlords	(14,076,573)
Net Cash flows provided (used) by operating activities	<u>2,004,141</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Outlay	(289,213)
Capital Grants Received	147,310
Net cash flows provided (used) by capital and related financing activities	<u>(141,903)</u>
<u>Cash flows from investing activities:</u>	
Interest Earned from Cash and Cash Equivalents	36,850
Net cash flows provided (used) by investing activities	<u>36,850</u>
Net Increase (decrease) in cash and cash equivalents	<u>1,899,088</u>
Cash and cash equivalents, beginning of year:	<u>8,029,845</u>
Total cash and cash equivalents, end of year	<u>\$ 9,928,933</u>
<u>Reconciliation of operating income to net cash provided by (used in) operating activities:</u>	
Operating Income (Loss)	\$ 517,206
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	867,824
Bad Debt Expense	89,743
Change in Accounts Receivable	282,654
Change in Prepaid Expenses	136,193
Change in Accounts Payable	64,235
Change in Accrued Expenses	(41,927)
Change in Tenant Security Deposits	(14,860)
Change in Unearned Revenues	34,258
Change in Other Liabilities	68,815
Net cash provided by (used in) operating activities	<u>\$ 2,004,141</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
SHREVEPORT, 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.

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 at the time liabilities 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.

FURTHER SIGNIFICANT ACCOUNTING POLICIES:

Cash and Cash Equivalents

The Housing Authority considers cash on hand and cash in checking to be cash equivalents.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other accounts receivable consists of amounts due from HUD and State and Local governments for grant income.

Prepaid Items

Prepaid Items consists of payments made to vendors for services that will benefit future periods.

Unearned Revenue

The Authority recognizes revenues as earned. Amounts received in advance of the period in which it is earned is recorded as a liability under Unearned Revenue.

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 revenues and expenses. Estimated useful lives are as follows:

Buildings and Improvements	15 - 40 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 30, 2020. No significant capital asset value impairments exist as of the noted dates.

Revenue Accounting Policies

Dwelling rent income, HUD grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue.

Indirect Cost Recovery

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center and charges the programs management fees based on fee rates provided by the Department of Housing and Urban Development.

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Housing 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. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE C - CASH AND INVESTMENT DEPOSITS

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

Interest Rate Risk – The Housing Authority’s formal investment policy does not limit 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 cash equivalents consist of cash held in interest bearing checking accounts totaling \$9,928,619. The various accounts bear interest up to .30%. The remaining \$314 is held in cash in petty cash funds. Deposits with financial institutions are secured as follows:

	<u>Per Books</u>	<u>Per Bank</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Investments held in U.S. Treasury Obligations	-	-
Collateralized with specific securities in the Authority name which are held by the financial institution	8,717,730	8,734,429
Non Federalized funds which do not require collateral	960,889	861,040
Uncollateralized	-	-
	<u>\$ 9,928,619</u>	<u>\$ 9,845,469</u>

NOTE D - CONTRACTUAL COMMITMENTS

The significant Outstanding Contractual Commitments as of the Statement of Net Position Date are as follows:

<u>Type Commitment</u>	<u>Amount</u>
Renovations	\$ 80,395

NOTE E – 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE F – CONCENTRATION OF RISK

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

NOTE G – USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows and inflows, revenues and expenses in the financial statements. Accordingly, actual results could differ from those estimates.

NOTE H – COMPENSATED ABSENCES

The Authority follows Louisiana Civil Service regulations for accumulated annual leave and sick time. Employees may accumulate up to 300 hours annual leave which may be received upon termination or retirement. In a case where the employee notifies the Authority not less than six months prior to retirement or resignation, annual leave in excess of 300 may be utilized prior to separation of employment. Sick leave hours accumulate, but the employee is not paid for them if not used by the retirement or termination date. Leave accrued but not yet paid as of September 30, 2019, is shown as a liability allocated between current and noncurrent.

NOTE I - PENSION PLAN

The Authority participates in the Housing-Renewal and Local Agency Retirement Plan, a defined contribution plan administered by Automatic Data Processing Retirement Services. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one year of continuous and uninterrupted employment. The plan provisions and changes to the plan contributions are determined by the Board of the Housing Authority.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Authority contributes an amount equal to 11% of the employees' base salary (excluding overtime). The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. Up to 100% of Authority contributions for, and interest forfeited by, employees who leave employment before five years of service are refundable to the Authority and are used to offset future contributions of the Housing Authority. During the current audit period, total contributions made by the Authority and employees totaled \$171,806 and \$13,177, respectively.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – LONG TERM DEBT

Long term debt at September 30, 2019 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 170,185	\$ 131,350	\$ 155,631	\$ 145,904	\$ 51,067
Due to HUD	523,054	-	-	523,054	47,550
FSS Escrows	219,962	71,125	-	291,087	-
Unearned Ground Lease	144,000	-	-	144,000	-
Long Term Debt	<u>\$ 1,057,201</u>	<u>\$ 202,475</u>	<u>\$ 155,631</u>	<u>\$ 1,104,045</u>	<u>\$ 98,617</u>

NOTE K – CAPITAL ASSETS

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

	<u>PUBLIC HOUSING</u>	<u>CAPITAL FUND PROGRAM</u>	<u>HOPE VI</u>	<u>HOUSING CHOICE VOUCHERS</u>
Land	\$ 1,659,715	\$ -	\$ -	\$ -
Building and Improvements	37,499,822	-	15,300	887,650
Furniture and Equipment	1,198,746	-	-	516,277
Construction in Progress	-	1,694,949	-	-
Less Accumulated Depreciation	<u>(33,173,023)</u>	<u>-</u>	<u>(9,690)</u>	<u>(1,067,613)</u>
Total Capital Assets	<u>\$ 7,185,260</u>	<u>\$ 1,694,949</u>	<u>\$ 5,610</u>	<u>\$ 336,314</u>
	<u>STATE/ LOCAL</u>	<u>BUSINESS ACTIVITIES</u>	<u>COCC</u>	<u>TOTAL</u>
Land	\$ 149,876	\$ 331,321	\$ -	\$ 2,140,912
Building and Improvements	-	2,699,993	200,380	41,303,145
Furniture and Equipment	4,770	67,742	345,357	2,132,892
Construction in Progress	-	-	-	1,694,949
Less Accumulated Depreciation	<u>(4,770)</u>	<u>(2,142,457)</u>	<u>(397,290)</u>	<u>(36,794,843)</u>
Total Capital Assets	<u>\$ 149,876</u>	<u>\$ 956,599</u>	<u>\$ 148,447</u>	<u>\$ 10,477,055</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K – CAPITAL ASSETS - CONTINUED

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>Ending Balance</u>
Land	\$ 2,065,304	\$ 75,608	\$ -	\$ 2,140,912
Construction in Progress	<u>1,547,639</u>	<u>147,310</u>	<u>-</u>	<u>1,694,949</u>
Total Assets not being depreciated	3,612,943	222,918	-	3,835,861
Buildings and Improvements	41,242,795	60,350	-	41,303,145
Furniture and Equipment	<u>2,126,947</u>	<u>5,945</u>	<u>-</u>	<u>2,132,892</u>
Total Capital Assets	46,982,685	289,213	-	47,271,898
Less Accumulated Depreciation:				
Buildings and Improvements	(33,886,767)	(814,565)	(277,957)	(34,979,289)
Furniture and Equipment	<u>(2,040,252)</u>	<u>(53,259)</u>	<u>277,957</u>	<u>(1,815,554)</u>
Net Book Value	<u>\$ 11,055,666</u>	<u>\$ (578,611)</u>	<u>\$ -</u>	<u>\$ 10,477,055</u>

NOTE L – NOTES RECEIVABLE

Due from Cypress Landing, LP

1. Cypress Landing, LP entered into a Promissory Note with Cypress Landing GP, LLC (a Business Activity of the Authority) in the amount of \$541,875. The note bears interest at a rate of six percent compounded annually and has a maturity date of December 31, 2030. On the 31st day of December in each year during the term of the Note, the borrower shall pay to the lender 100% of the cash flow as defined by the partnership agreement. The loan is secured by all real and personal property. The loan is subordinate to the Senior Sponsor note with the Department of Housing and Urban Development. As of September 30, 2019, the loan balance is \$287,573 and accrued interest is \$35,420. The current portion of principal and interest is \$184,127 and \$23,775 respectively.
2. Cypress Landing, LP entered into a loan with Cypress Landing GP, LLC (a Business Activity of the Authority) in the amount of \$300,000. The note bears interest at a rate of six percent compounded annually and has a maturity date of December 31, 2030. On the 30th day of November in each year during the term of the Note, the borrower shall pay to the lender 100% of the cash flow as defined by the partnership agreement. The loan is secured by all real and personal property. The loan is subordinate to the Senior Sponsor note with the Department of Housing and Urban Development and the above Promissory note. As of September 30, 2019, the loan balance is \$300,000 and accrued interest on the loan is \$117,347.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE L – NOTES RECEIVABLE - CONTINUED

Due from Renaissance at Allendale, LP

3. Renaissance at Allendale GP, LLC entered into a Promissory Note with the Housing Authority of the City of Shreveport in the amount of \$390,874. The note bears interest at a rate of six percent compounded annually and has a maturity date of March 31, 2044. On the 31st day of March in each year, commencing March 31, 2016, the borrower shall pay to the lender 100% of the cash flow as defined by the partnership agreement. The loan is secured by all real and personal property. As of September 30, 2019, the loan balance is \$390,874 and accrued interest is \$146,929. The Authority has fully reserved the note balance and accrued interest.

Due from Shreveport BDB Housing Partners, LLC

1. Shreveport BDB Housing Partners, LLC entered into a Promissory Note with the Housing Authority of the City of Shreveport in the amount of \$4,656,000. The note bears interest at a rate of 3.06 percent compounded annually and has a maturity date of July 13, 2058. Principal payments are payable from available cash flow, as defined in the Operating Agreement. The loan is secured by a vendor's lien and privilege and special mortgage as well as a Mortgage and Security Agreement. As of September 30, 2019, the loan balance is \$4,656,000 and accrued interest is \$173,138.
2. The Authority advanced funds to the Company in the amount of \$600,000 to finance the acquisition and rehabilitation of the Project. The loan is secured by a Mortgage and Security Agreement. The loan does not bear interest and shall be due and payable upon the tax-exempt loan conversion. Principal payments are made from available cash flow, as defined in the Operating Agreement. As of September 30, 2019, the balance is \$600,000. The Authority has fully reserved the balance of this loan.
3. The Authority advanced funds to the Company in the amount of \$144,000 to prepay the ground lease of the Project. The Ground Lease Loan is secured by a vendor's lien and privilege and special mortgage as well as a Mortgage and Security Agreement. The Ground Lease Loan does not bear interest and shall be due and payable on July 13, 2058. Principal payments are payable from available cash flow, as defined in the Operating Agreement. As of September 30, 2019, the balance is \$144,000.
4. The Authority advanced funds in the amount of \$40,500 to finance the acquisition and rehabilitation of the Project. The loan does not bear interest and is payable from available cash flows, as defined in the Operating Agreement. As of September 30, 2019, the balance is \$40,500.

NOTE M – GROUND LEASE

The Authority entered into a ground lease on November 13, 2012 with the Cypress Landing L.P. The lease is a capital lease that ends on November 13, 2052. The partnership paid a one-time payment in the amount of \$212,500 and includes the land as a capital asset on its balance sheet.

The Authority entered into a ground lease on February 21, 2014 with the Renaissance at Allendale, L.P. The lease term ends on February 20, 2113. The partnership paid a one-time payment in the amount of \$75,000 and includes the land as a capital asset on its balance sheet.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE M – GROUND LEASE - CONTINUED

The Authority entered into a ground lease on July 1, 2018 with the Shreveport BDB Housing Partners, LLC. The lease is an operating lease that ends on November 13, 2093. The partnership paid a one-time payment in the amount of \$144,000 and is amortizing the lease over lease period.

NOTE N – AMOUNTS DUE TO HUD

Fiscal year ended September 30, 2012 audit finding 12-04 identified questionable payments made by the Authority using Replacement Housing Factor grants 501.07 and 501.08. The funds were not expended to develop or acquire new public housing rental units as stated by the grant requirements, but instead, were used to modify existing public housing properties. Prior to the 2014 fiscal year, these amounts were identified as contingent liabilities, as the New Orleans HUD Office had not notified the Authority of a correction plan. On July 7, 2014, the Office of General Counsel decreed that the monies owed of \$713,254 must be repaid using any non-federal funds at the Authority's disposal and/or Capital Fund Program funds. The \$713,254 will be repaid over 15 years with a zero percent interest rate. The Authority will utilize a portion of the Capital Fund Program funds for the next ten years, beginning on October 1, 2015, and will make an annual payment of \$47,550. As of September 30, 2019, the balance was \$523,054.

<u>Fiscal Year</u>	<u>Repayment Amount</u>
2020	\$ 47,550
2021	47,550
2022	47,550
2023	47,550
2024	47,550
2025 - 2029	237,750
2030	47,554
Total	<u>\$ 523,054</u>

NOTE O – INTERPROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and subsequently reimbursed by the Public Housing Program. Balances due for such charges are reflected in the Interprogram Due to/Due from account balances. Interprograms at September 30, 2019 consisted of the following:

COCC	\$ 694,506
Housing Choice Vouchers	(528,413)
HOPE VI	(7,531)
ROSS	(23,200)
State/Local	(135,362)
Total	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – ACCOUNTS RECEIVABLE OTHER

The Authority's accounts receivable other consists of the following as of the end of the fiscal year:

Due from HUD - Capital Fund Program	\$	105,318
Due from HUD - Other Programs		23,200
Due from HUD - HAP		105,097
Accounts Receivable - PORTS		183,047
Accounts Receivable - Consulting Income		54,823
Miscellaneous Accounts Receivable		45,948
Total	\$	<u>517,433</u>

NOTE Q – RESTRICTED CASH AND RESTRICTED NET POSITION AS RESTATED

The Authority's restricted cash consists of the following as of the end of the fiscal year:

Restricted Cash		
Restricted for Development	\$	197,537
Restricted for HAP		231,829
Cash Restricted for FSS Escrows		291,087
Total Restricted Cash	\$	<u>720,453</u>

Restricted Net Position		
Restricted for Development	\$	197,537
Restricted for HAP		231,829
Total Restricted Net Position	\$	<u>429,366</u>

NOTE R – 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 S – PILOT AGREEMENT

The Authority has entered into a Payment in Lieu of Taxes (PILOT) Agreement with the City of Shreveport whereby the Authority agrees to pay a negotiated sum in lieu of city real property taxes. As of September 30, 2019, the Authority owes the City \$71,815 for PILOT costs for the year.

NOTE T – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through March 30, 2020, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE U – RESTATEMENT RELATED TO RESTRICTED NET POSITION

Subsequent to issuance of the audited financial statements dated March 30, 2020, the Authority discovered Restricted Net Assets and Restricted Cash were understated by HAP payments paid from Public Housing Subsidy. As such, these facts required adjustments in the 2019 audited financial statements. These revisions impacted the following amounts:

September 30, 2019	As Previously Reporty	Adjustments	As Restated
Cash and Cash Equivalents	9,440,309	(231,829)	9,208,480
Restricted Cash	488,624	231,829	720,453
Restricted Net Position	(197,537)	(231,829)	(429,366)
Unrestricted Net Position	(14,120,353)	231,829	(13,888,524)

**THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT, LOUISIANA
 SCHEDULE OF COMPLETED PROGRAM COSTS - CAPITAL FUND PROGRAM
 SEPTEMBER 30, 2019**

	Public Housing Capital Fund Program LA48P00250114	Public Housing Capital Fund Program LA48P00250115
Funds Approved	\$ 799,522	\$ 818,807
Funds Disbursed	799,522	818,807
Excess Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 799,522	\$ 818,807
Funds Disbursed	799,522	818,807
Excess Funds (Deficiency)	<u>\$ -</u>	<u>\$ -</u>

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

THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
SHREVEPORT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2019

Low Rent Public Housing Expenditures	
Total CFDA Number 14.850	\$ 1,977,312
Section 8 Housing Choice Vouchers	
Total CFDA Number 14.871	12,768,706
Public Housing Capital Fund Program	
Total CFDA Number 14.872	1,050,932
Family Self-Sufficiency Program	
Total CFDA Number 14.896	61,611
Juvenile Reentry Assistance Program	
Total CFDA Number 14.897	50,108
TOTAL HUD EXPENDITURES	15,908,669
TOTAL FEDERAL EXPENDITURES	\$ 15,908,669

Note 1 - Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. 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 did not elect to use the 10% *De Minimus Cost Rate*.

**THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT [LA002]
SHREVEPORT, LOUISIANA
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2019**

	LOW RENT 14.850a	CAPITAL FUND PROGRAM 14.872	SECTION 8 HOUSING CHOICE VOUCHERS 14.871	HOPE VI 14.866	FAMILY SELF SUFFICIENCY 14.896	FAMILY SELF SUFFICIENCY 14.897	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	ELIMINATIONS	TOTAL
ASSETS											
CURRENT ASSETS											
CASH											
111	CASH UNRESTRICTED	6,592,783	-	178,832	-	-	20,266	913,437	1,401,843	-	9,107,161
115	CASH RESTRICTED FOR PAYMENT OF S/T DEBT	-	-	-	-	-	-	-	-	-	-
112	CASH RESTRICTED MODERNIZATION AND DEV	197,537	-	-	-	-	-	-	-	-	197,537
113	CASH OTHER RESTRICTED	73,473	-	449,443	-	-	-	-	-	-	522,916
114	CASH TENANT SECURITY DEPOSIT	67,502	-	-	-	-	2,240	31,577	-	-	101,319
100	TOTAL CASH	6,931,295	-	628,275	-	-	22,506	945,014	1,401,843	-	9,928,933
ACCOUNTS AND NOTES RECEIVABLE											
121	A/R - PHA PROJECTS	-	-	-	-	-	8,261	-	-	-	8,261
122	A/R - HUD PROJECTS	105,318	-	105,097	-	23,200	-	-	-	-	233,615
124	A/R - OTHER GOVT	-	-	44,466	-	-	-	-	-	-	44,466
125	A/R - MISC	50,199	-	130,320	-	-	-	-	42,790	-	223,309
126	A/R - TENANTS DWELLING RENT	32,186	-	1,100	-	-	-	1,863	-	-	35,149
126.1	ALLOWANCE FOR D A - TENANTS	(12,997)	-	-	-	-	-	(213)	-	-	(13,210)
126.2	ALLOWANCE FOR D A - OTHER	-	-	(150,800)	-	-	-	-	-	-	(150,800)
127	NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-	-	184,127	-	-	184,127
128	FRAUD RECOVERY	7,776	-	-	-	-	6	-	-	-	7,782
128.1	ALLOWANCE FOR FRAUD RECOVERY	-	-	-	-	-	(6)	-	-	-	(6)
129	ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	23,775	-	-	23,775
120	TOTAL RECEIVABLES NET OF ALLOW	182,482	-	130,183	-	23,200	8,261	209,552	42,790	-	596,468
CURRENT INVESTMENTS											
131	INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-	-	-	-
135	INVESTMENTS RESTRICTED PYMT S/T DEBT	-	-	-	-	-	-	-	-	-	-
132	INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-	-	-	-
142	PREPAID COSTS	2,777	-	9,929	-	-	-	54	135,673	-	148,433
143	INVENTORIES - MATERIALS	-	-	-	-	-	-	-	-	-	-
143.1	ALLOWANCE FOR OBSOLETE INV	-	-	-	-	-	-	-	-	-	-
144	INTERPROGRAM DUE FROM	-	-	-	-	-	-	-	694,506	(694,506)	-
145	ASSETS HELD FOR SALE	-	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	7,116,554	-	768,387	-	23,200	30,767	1,154,620	2,274,812	(694,506)	10,673,834
NONCURRENT ASSETS											
FIXED ASSETS											
161	LAND	1,659,715	-	-	-	-	149,876	331,321	-	-	2,140,912
168	INFRASTRUCTURE	-	-	-	-	-	-	-	-	-	-
162	BUILDINGS	36,619,731	-	887,650	15,300	-	-	2,653,933	91,755	-	40,268,369
163	FURNITURE & EQUIPMENT - DWELLINGS	530,082	-	-	-	-	-	6,780	-	-	536,862
164	FURNITURE & EQUIPMENT - ADMINISTR	668,664	-	516,277	-	-	4,770	60,962	345,357	-	1,596,030
165	LEASEHOLD IMPROVEMENTS	880,091	-	-	-	-	-	46,060	108,625	-	1,034,776
167	CONSTRUCTION IN PROGRESS	-	1,694,949	-	-	-	-	-	-	-	1,694,949
166	ACCUMULATED DEPRECIATION	(33,173,023)	-	(1,067,613)	(9,690)	-	(4,770)	(2,142,457)	(397,290)	-	(36,794,843)
160	TOTAL FIXED ASSETS, NET OF DEPR	7,185,260	1,694,949	336,314	5,610	-	149,876	956,599	148,447	-	10,477,055
171	NOTES & MORTGAGES RECEIVABLE - N/C	-	-	-	-	-	-	5,546,076	-	-	5,546,076
172	NOTES & MORTGAGES RECEIVABLE - PD	-	-	-	-	-	-	-	-	-	-
173	GRANTS RECEIVABLE - NONCURRENT	-	-	-	-	-	-	-	-	-	-
174	OTHER ASSETS	-	-	-	-	-	-	-	-	-	-
176	INVESTMENT IN JOINT VENTURES	-	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	7,185,260	1,694,949	336,314	5,610	-	149,876	6,502,675	148,447	-	16,023,131
200	DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-
290	TOTAL ASSETS	14,301,814	1,694,949	1,104,701	5,610	23,200	180,643	7,657,295	2,423,259	(694,506)	26,696,965
LIABILITIES AND EQUITY											
CURRENT LIABILITIES											
311	BANK OVERDRAFT	-	-	-	-	-	-	-	-	-	-
312	A/P < 90 DAYS	323,912	-	6,964	-	-	-	12,108	61,666	-	404,650
313	A/P > 90 DAYS	-	-	-	-	-	-	-	-	-	-
321	ACCRUED WAGE/PAYROLL TAXES PAYABLE	-	-	-	-	-	-	-	95,064	-	95,064

**THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT [LA002]
SHREVEPORT, LOUISIANA
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2019**

		LOW RENT 14.850a	CAPITAL FUND PROGRAM 14.872	SECTION 8 HOUSING CHOICE VOUCHERS 14.871	HOPE VI 14.866	FAMILY SELF SUFFICIENCY 14.896	FAMILY SELF SUFFICIENCY 14.897	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	ELIMINATIONS	TOTAL
322	ACCRUED COMPENSATED ABSENCES	10,804	-	10,752	-	-	-	-	4,029	25,482	-	51,067
324	ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-	-	-	-	-
325	ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	-	-	-	-	-
331	ACCOUNTS PAYABLE - HUD PHA PROGRAMS	-	-	-	-	-	-	-	-	-	-	-
332	ACCOUNTS PAYABLE - PHA PROJECTS	-	-	-	-	-	-	-	-	-	-	-
333	ACCOUNTS PAYABLE OTHER GOVT	71,815	-	-	-	-	-	-	-	-	-	71,815
341	TENANT SECURITY DEPOSIT	67,502	-	425	-	-	-	2,240	31,577	-	-	101,744
342	UNEARNED REVENUES	19,861	-	62,580	-	-	-	26	4,831	-	-	87,298
343	CURRENT PORTION OF LT DEBT CAPITAL	-	-	-	-	-	-	-	-	-	-	-
344	CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	-	-	-	-	-	-	-
348	LOAN LIABILITIES - CURRENT	-	-	-	-	-	-	-	-	47,550	-	47,550
345	OTHER CURRENT LIABILITIES	450	-	33,153	-	-	-	-	-	3,801	-	37,404
346	ACCRUED LIABILITIES - OTHER	-	-	-	-	-	-	-	-	-	-	-
347	INTERPROGRAM DUE TO	280,681	-	247,732	7,531	23,200	-	135,362	-	-	(694,506)	-
310	TOTAL CURRENT LIABILITIES	775,025	-	361,606	7,531	23,200	-	137,628	52,545	233,563	(694,506)	896,592
	NONCURRENT LIABILITIES											
351	LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	-	-	-	-	-	-	-
352	LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-	-	-	-	-
354	LONG TERM PORTION OF COMPENSATED ABSENC	20,066	-	19,966	-	-	-	-	7,482	47,323	-	94,837
355	LOAN LIABILITIES - OTHER	-	-	-	-	-	-	-	-	475,504	-	475,504
353	NONCURRENT LIABILITIES OTHER	73,473	-	217,614	-	-	-	-	144,000	-	-	435,087
350	TOTAL NONCURRENT LIABILITIES	93,539	-	237,580	-	-	-	-	151,482	522,827	-	1,005,428
300	TOTAL LIABILITIES	868,564	-	599,186	7,531	23,200	-	137,628	204,027	756,390	(694,506)	1,902,020
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-
508.4	NET INVESTMENT IN CAPITAL ASSETS	7,185,260	1,694,949	336,314	5,610	-	-	149,876	956,599	148,447	-	10,477,055
511.4	RESTRICTED NET POSITION	197,537	-	231,829	-	-	-	-	-	-	-	429,366
512.1	UNRESTRICTED NET POSITION	6,050,453	-	(62,628)	(7,531)	-	-	(106,861)	6,496,669	1,518,422	-	13,888,524
513	TOTAL EQUITY	13,433,250	1,694,949	505,515	(1,921)	-	-	43,015	7,453,268	1,666,869	-	24,794,945
600	TOTAL LIABILITIES, DEF. INFLOWS OF RES & EQUITY	14,301,814	1,694,949	1,104,701	5,610	23,200	-	180,643	7,657,295	2,423,259	(694,506)	26,696,965
	REVENUE											
70300	NET TENANT RENTAL REVENUE	872,484	-	-	-	-	-	17,027	270,100	-	-	1,159,611
70400	TENANT REVENUE - OTHER	117,767	-	-	-	-	-	1,043	7,780	-	-	126,590
70500	TOTAL TENANT REVENUE	990,251	-	-	-	-	-	18,070	277,880	-	-	1,286,201
70600	HUD PHA GRANTS	1,977,312	903,622	12,768,706	-	61,611	50,108	-	-	-	-	15,761,359
70610	CAPITAL GRANTS RECEIVED	-	147,310	-	-	-	-	-	-	-	-	147,310
70710	MANAGEMENT FEE	-	-	-	-	-	-	-	-	675,024	(675,024)	-
70720	ASSET MANAGEMENT FEE	-	-	-	-	-	-	-	-	69,840	(69,840)	-
70730	BOOK-KEEPING FEE	-	-	-	-	-	-	-	-	216,946	(216,946)	-
70750	OTHER FEES	-	-	-	-	-	-	-	-	-	-	-
70800	OTHER GOVT GRANTS	-	-	-	-	-	-	-	-	-	-	-
71100	INVESTMENT INCOME - UNRESTRICTED	19,779	-	-	-	-	-	-	-	17,071	-	36,850
71200	MORTGAGE INTEREST INCOME	-	-	-	-	-	-	-	235,535	-	-	235,535
71300	PROCEEDS FROM DISPOSITION OF ASSETS HELD FOR SALE	-	-	-	-	-	-	-	-	-	-	-
71310	COST OF SALE OF ASSETS	-	-	-	-	-	-	-	-	-	-	-
71400	FRAUD RECOVERY	8,767	-	138	-	-	-	-	-	-	-	8,905
71500	OTHER REVENUE	219,147	-	333,514	-	-	-	-	400	423,777	-	976,838
71600	GAIN OR LOSS ON THE DISPOSAL OF CAPITAL ASSETS	-	-	-	-	-	-	-	-	-	-	-
72000	INVESTMENT INCOME - RESTRICTED	-	-	-	-	-	-	-	-	-	-	-
70000	TOTAL REVENUE	3,215,256	1,050,932	13,102,358	-	61,611	50,108	18,070	513,815	1,402,658	(961,810)	18,452,998
	EXPENSES											
	ADMINISTRATIVE											
91100	ADMINISTRATIVE SALARIES	226,757	-	397,148	-	-	-	-	16,531	572,084	-	1,212,520
91200	AUDITING FEES	18,857	-	14,080	-	-	-	-	2,640	8,012	-	43,589
91300	MANAGEMENT FEES	266,690	97,053	283,284	-	-	-	-	27,997	-	(675,024)	-
91310	BOOKKEEPING FEE	36,099	-	177,052	-	-	-	-	3,795	-	(216,946)	-
91400	ADVERTISING AND MARKETING	160	-	-	-	-	-	-	-	263	-	423
91500	EMPLOYEE BENEFIT CONTRIBUTION	70,774	-	141,322	-	-	-	-	4,333	135,906	-	352,335

**THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT [LA002]
SHREVEPORT, LOUISIANA
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2019**

		LOW RENT 14.850a	CAPITAL FUND PROGRAM 14.872	SECTION 8 HOUSING CHOICE VOUCHERS 14.871	HOPE VI 14.866	FAMILY SELF SUFFICIENCY 14.896	FAMILY SELF SUFFICIENCY 14.897	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	ELIMINATIONS	TOTAL
91600	OFFICE EXPENSE	5,892	-	56,020	-	-	-	-	49	13,899	-	75,860
91700	LEGAL	3,083	-	-	-	-	-	-	-	-	-	3,083
91800	TRAVEL	1,017	-	1,646	-	-	-	-	63	23,679	-	26,405
91900	OTHER OPERATING ADMINISTRATIVE	237,374	94,879	120,398	-	-	-	-	14,625	166,405	-	633,681
92000	ASSET MANAGEMENT FEE	64,200	-	-	-	-	-	-	5,640	-	(69,840)	-
	TENANT SERVICES											
92100	TENANT SERVICES SALARIES	9,631	-	1,514	-	46,174	50,108	-	-	-	-	107,427
92200	RELOCATION COSTS	-	-	-	-	-	-	-	-	-	-	-
92300	EMPLOYEE BENEFIT CONTRIBUTION	4,422	-	810	-	14,934	-	-	-	-	-	20,166
92400	TENANT SERVICES OTHER	400	-	514	-	-	-	-	-	-	-	914
	UTILITIES											
93100	WATER	41,166	-	-	-	-	-	-	425	1,092	-	42,683
93200	ELECTRICITY	87,193	-	-	-	-	-	-	798	20,075	-	108,066
93300	GAS	12,768	-	-	-	-	-	-	820	5,226	-	18,814
93400	FUEL	-	-	-	-	-	-	-	-	-	-	-
93500	LABOR	-	-	-	-	-	-	-	-	-	-	-
93600	SEWER	104,525	-	-	-	-	-	-	350	1,933	-	106,808
93700	EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-	-	-	-	-	-	-
93800	OTHER UTILITIES	-	-	-	-	-	-	-	-	-	-	-
	ORDINARY MAINTENANCE & OPERATION											
94100	ORDINARY MAINT AND OP LABOR	252,159	-	-	-	-	-	-	33,806	688	-	286,653
94200	ORDINARY MAINTENANCE AND OP MATERIALS	120,559	20,644	3,007	-	-	-	-	18,715	4,181	-	167,106
94300	ORDINARY MAINTENANCE AND OP CONTRACT	153,930	25,661	725	-	-	-	-	9,635	21,844	-	211,795
94500	EMPLOYEE BENEFIT CONTRIBUTION	100,109	-	-	-	-	-	-	18,357	84	-	118,550
	PROTECTIVE SERVICES											
95100	PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-	-	-	-	-
95200	PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	-	-	-	-	-	-	-	-
95300	PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-	-	-	-	-
95500	EMPLOYEE BENEFIT CONTRIBUTION PS	-	-	-	-	-	-	-	-	-	-	-
	GENERAL EXPENSES											
96100	INSURANCE PREMIUMS	195,219	-	52,251	-	503	-	-	19,089	52,378	-	319,440
96200	OTHER GENERAL EXPENSE	156,352	660,385	-	-	-	-	819	-	-	-	817,556
96210	COMPENSATED ABSENCES	34,933	-	17,819	-	-	-	-	11,531	67,067	-	131,350
96300	PAYMENTS IN LIEU OF TAXES	75,725	-	-	-	-	-	-	-	-	-	75,725
96400	BAD DEBT - TENANT	67,213	-	-	-	-	-	718	3,192	-	-	71,123
96500	BAD DEBT - MORTGAGES	-	-	-	-	-	-	-	34,573	-	-	34,573
96600	BAD DEBT - OTHER	-	-	-	-	-	-	-	18,620	-	-	18,620
96700	INTEREST EXPENSE	-	-	-	-	-	-	-	-	-	-	-
96730	AMORTIZATION OF BOND ISSUE COSTS	-	-	-	-	-	-	-	-	-	-	-
96800	SEVERANCE EXPENSE	-	-	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	2,347,207	898,622	1,267,590	-	61,611	50,108	1,537	245,584	1,094,816	(961,810)	5,005,265
97000	EXCESS OPERATING REVENUE OVER OP EXP	868,049	152,310	11,834,768	-	-	-	16,533	268,231	307,842	-	13,447,733
	EXTRAORDINARY MAINTENANCE											
97100	EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-
97200	CASUALTY LOSSES - NON CAPITALIZED	-	-	-	-	-	-	-	-	-	-	-
97300	HAP	280,681	-	11,094,777	-	-	-	-	-	-	-	11,375,458
97350	HAP - PORTABILITY IN	-	-	302,123	-	-	-	-	-	-	-	302,123
97400	DEPRECIATION EXPENSE	720,904	-	40,733	1,020	-	-	-	85,558	19,609	-	867,824
97500	FRAUD LOSSES	-	-	-	-	-	-	-	-	-	-	-
97600	CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-	-	-	-	-	-	-	-
97700	DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-	-	-	-	-	-
97800	DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	3,348,792	898,622	12,705,223	1,020	61,611	50,108	1,537	331,142	1,114,425	(961,810)	17,550,670
	OPERATING TRANSFERS IN											
10010	OPERATING TRANSFERS IN	5,000	-	-	-	-	-	-	-	-	(5,000)	-
10020	OPERATING TRANSFERS OUT	-	(5,000)	-	-	-	-	-	-	-	5,000	-
10060	PROCEEDS FROM PROPERTY SALES	-	-	-	-	-	-	-	-	-	-	-
10070	EXTRAORDINARY ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-	-	-	-
10080	SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	5,000	(5,000)	-	-	-	-	-	-	-	-	-
10000	EXCESS REVENUE OVER EXPENSES	(128,536)	147,310	397,135	(1,020)	-	-	16,533	182,673	288,233	-	902,328

**THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT [LA002]
SHREVEPORT, LOUISIANA
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2019**

		LOW RENT 14.850a	CAPITAL FUND PROGRAM 14.872	SECTION 8 HOUSING CHOICE VOUCHERS 14.871	HOPE VI 14.866	FAMILY SELF SUFFICIENCY 14.896	FAMILY SELF SUFFICIENCY 14.897	STATE/ LOCAL	BUSINESS ACTIVITIES	COCC	ELIMINATIONS	TOTAL
11030	BEGINNING EQUITY	13,561,786	1,547,639	108,380	(901)	-	-	26,482	7,270,595	1,378,636	-	23,892,617
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-	-	-	-	-
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-	-	-	-	-
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-	-	-	-	-
	ENDING EQUITY	13,433,250	1,694,949	505,515	(1,921)	-	-	43,015	7,453,268	1,666,869	-	24,794,945
		-	-	-	-	-	-	-	-	-	-	-
11200	GROSS # UNITS	6,540	-	41,652	-	-	-	564	564	-	-	49,320
11210	# UNIT MONTHS LEASED	4,940	-	23,607	-	-	-	492	506	-	-	29,545
11170	ADMINISTRATIVE FEE EQUITY	-	-	273,686	-	-	-	-	-	-	-	273,686
11180	HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	231,829	-	-	-	-	-	-	-	231,829
11610	LAND PURCHASES	-	-	-	-	-	-	-	-	-	-	-
11620	BUILDING PURCHASES	-	-	-	-	-	-	-	-	-	-	-
11630	FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	-	-	-	-	-	-	-	-	-	-
11640	FURNITURE & EQUIPMENT - ADMINISTRATIVE PURCHASES	-	-	-	-	-	-	-	-	-	-	-
11650	LEASEHOLD IMPROVEMENT PURCHASES	-	147,310	-	-	-	-	-	-	-	-	147,310
13901	REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-	-	-	-	-	-	-	-

THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
 SHREVEPORT, LOUISIANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 SEPTEMBER 30, 2019

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of Auditors' report issued:	Unmodified
Internal Control over financial reporting: Are material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are significant deficiencies that are not considered to be material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported
Is noncompliance that could have a material effect on the financial statements identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

FEDERAL AWARDS

Internal control over major programs: Are material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None
Are significant deficiencies that are not considered to be material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 2CFR Section 200.516(a) of the Uniform Guidance?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Section 8 Housing Choice Vouchers	14.871
Public Housing 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 THE CITY OF SHREVEPORT
SHREVEPORT, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2019

Section II: Financial Statement Findings:

Prior Year Findings and Questioned Costs:

None Noted

Current Year Findings and Questioned Costs:

None Noted

Section III: Federal Award Findings and Questioned Costs:

Prior Year Findings and Questioned Costs:

None Noted

Current Year Findings and Questioned Costs:

None Noted

THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
 SHREVEPORT, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO THE EXECUTIVE DIRECTOR
 YEAR ENDED SEPTEMBER 30, 2019

EXPENDITURE PURPOSE

Salary	\$ 245,908
Benefits - Insurance	15,829
Benefits - Retirement	18,095
Car Allowance	6,000
Per Diem	2,568
Registration Fees	2,750
Conference Travel	3,313
Total Compensation, Benefits and Other Payments	<u><u>\$ 294,463</u></u>

Agency Head: Bobby Collins, 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*.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of The Housing Authority of the City of Shreveport and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by The Housing Authority of the City of Shreveport and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 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 SAUPs.

The associated results and conclusions are as follows:

Written Policies and Procedures

The Authority did have policies which sufficiently addressed each of the Written Policy and Procedure categories itemized in the ASUP's (see Addendum A).

Credit Cards

Statements contained appropriate approvals and charges on statements complied with the disbursement policies. No interest charges were noted.

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 30, 2020

ADDENDUM A

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

Procedures

Report all exceptions to the following procedures, either after each procedure or after all procedures within each of the twelve AUP categories. “Random” selections may be made using Microsoft Excel’s random number generator or an alternate method selected by the practitioner that results in an equivalent sample (e.g., those methods allowed under the AICPA Audit Guide - *Audit Sampling*).

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):³
 - 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,

³ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization’s operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

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

(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***⁴, 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.
- 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.

⁴ The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

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

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

2. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards⁵. Obtain management’s representation that the listing is complete.
3. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
4. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing)⁶. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

⁵ Including credit cards used by school staff for either school operations or student activity fund operations.

⁶ For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

ADDENDUM B

THE HOUSING AUTHORITY OF THE CITY OF SHREVEPORT
SHREVEPORT, LOUISIANA
LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED-UPON PROCEDURES
CORRECTIVE ACTION PLAN
SEPTEMBER 30, 2019

N/A