

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

FINANCIAL REPORTS AND SUPPLEMENTARY INFORMATION

Years Ended June 30, 2016 and 2015

CONTENTS

| | PAGE |
|--|-------|
| INDEPENDENT AUDITORS' REPORT | 3-4 |
| FINANCIAL STATEMENTS | |
| STATEMENTS OF FINANCIAL POSITION | 5-6 |
| STATEMENTS OF ACTIVITIES | 7 |
| STATEMENTS OF CASH FLOWS | 8-9 |
| NOTES TO FINANCIAL STATEMENTS | 10-13 |
| SUPPLEMENTARY INFORMATION REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | |
| SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | 15-17 |
| SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS | 18 |
| OTHER INFORMATION | |
| SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER | 20 |
| 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 <i>GOVERNMENT AUDITING STANDARDS</i> | 21-22 |
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR HUD PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE CONSOLIDATED AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS | 23-24 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | 25 |
| SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS | 26 |
| CERTIFICATION OF PROJECT OWNER | 27 |
| CERTIFICATION OF MANAGEMENT AGENT | 28 |



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.

JULIA W. PORTUS, C.P.A.
KATHRYN BLESSINGTON, C.P.A.
JACKLYN BRANEFF, C.P.A.
BRIAN MCCAIN, C.P.A.

INDEPENDENT AUDITORS' REPORT

September 22, 2016

The Board of Directors
Louisiana Disabled Persons Finance Corporation
Lake Charles, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Disabled Persons Finance Corporation (a nonprofit organization), HUD Project No. 064-EH139/LA48-T841-013, which comprise the statement of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's responsibility

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 of 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, due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 financial position of Louisiana Disabled Persons Finance Corporation as of June 30, 2016 and 2015 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to chief executive officer and accompanying supplementary information shown on pages 15 through 18 is presented for the purposes of additional analysis as required by the *Consolidated Audit Guide for Audits of HUD Programs* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In 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 September 22, 2016 on our consideration of the Corporation'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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Federal Employer ID #72-0949580
Lead Auditor: Coy T. Vincent, CPA

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015

ASSETS

| <u>HUD Account</u> | | <u>2016</u> | <u>2015</u> |
|------------------------|--|-------------------|-------------------|
| | CURRENT ASSETS | | |
| 1120 | Cash | \$ 4,504 | \$ 5,000 |
| 1130 | Accounts receivable - tenants | 731 | 542 |
| 1135 | Accounts receivable - HUD | (227) | (307) |
| 1200 | Prepaid expenses | - | 434 |
| 1100T | TOTAL CURRENT ASSETS | <u>5,008</u> | <u>5,669</u> |
| | RESTRICTED DEPOSITS AND FUNDED RESERVES | | |
| 1191 | Tenant security deposits | 2,787 | 3,173 |
| 1320 | Reserve for replacements | 11,570 | 9,253 |
| 1340 | Residual reserve | 117 | 117 |
| | | <u>14,474</u> | <u>12,543</u> |
| | PROPERTY AND EQUIPMENT | | |
| 1420 | Buildings | 530,689 | 530,689 |
| 1465 | Fixed equipment | 32,827 | 32,827 |
| 1440 | Portable equipment | 23,671 | 23,671 |
| 1400T | | <u>587,187</u> | <u>587,187</u> |
| 1495 | Less accumulated depreciation | 516,461 | 498,007 |
| | | <u>70,726</u> | <u>89,180</u> |
| 1410 | Land | 56,696 | 56,696 |
| 1400N | | <u>127,422</u> | <u>145,876</u> |
| 1000T | | <u>\$ 146,904</u> | <u>\$ 164,088</u> |

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS (DEFICIT)

| <u>HUD Account</u> | | <u>2016</u> | <u>2015</u> |
|------------------------|---|-------------------|-------------------|
| | CURRENT LIABILITIES | | |
| 2170 | Current portion of mortgage payable | \$ 13,596 | \$ 12,775 |
| 2130 | Accrued interest payable | 2,650 | 2,717 |
| 2190-010 | Due to affiliate | <u>11,718</u> | <u>20,246</u> |
| 2122T | TOTAL CURRENT LIABILITIES | 27,964 | 35,738 |
| 2191 | TENANTS' SECURITY DEPOSITS | 2,787 | 3,173 |
| 2320 | MORTGAGE NOTE PAYABLE, less current portion | 495,296 | 508,892 |
| 3131 | NET ASSETS (DEFICIT) | <u>(379,143)</u> | <u>(383,715)</u> |
| 2033T | | <u>\$ 146,904</u> | <u>\$ 164,088</u> |

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2016 and 2015

| <u>HUD Account</u> | | <u>2016</u> | <u>2015</u> |
|------------------------|--|---------------------|---------------------|
| | REVENUES | | |
| 5121 | Housing assistance payments | \$ 63,558 | \$ 61,767 |
| 5120 | Rental | 71,731 | 77,678 |
| 5990 | Other | 1,954 | 2,025 |
| 5000T | TOTAL REVENUES | <u>137,243</u> | <u>141,470</u> |
| | EXPENSES | | |
| 6263T | Administrative | 7,204 | 8,108 |
| 6320 | Management fees | 7,200 | 7,200 |
| 6400T | Utilities | 22,307 | 18,017 |
| 6500T | Operating and maintenance | 37,894 | 41,214 |
| 6600 | Depreciation | 18,454 | 19,040 |
| 6700T | Insurance | 7,499 | 9,790 |
| 6820 | Interest | 32,113 | 32,952 |
| | TOTAL EXPENSES | <u>132,671</u> | <u>136,321</u> |
| 5060N | CHANGE IN NET ASSETS | 4,572 | 5,149 |
| 51100-050 | NET ASSETS (DEFICIT), BEGINNING OF YEAR | <u>(383,715)</u> | <u>(388,864)</u> |
| 3130 | NET ASSETS (DEFICIT), END OF YEAR | <u>\$ (379,143)</u> | <u>\$ (383,715)</u> |

See accompanying notes to financial statements.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2016 and 2015

| <u>HUD</u> <u>Account</u> | <u>2016</u> | <u>2015</u> |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| S1200-010 Housing assistance payments | \$ 63,478 | \$ 62,074 |
| S1200-010 Rental | 71,542 | 77,198 |
| S1200-030 Other income | 1,954 | 2,025 |
| S1200-040 | <u>136,974</u> | <u>141,297</u> |
| S1200-050 Administrative | 7,204 | 8,108 |
| S1200-070 Management fees | 7,200 | 7,200 |
| S1200-090 Utilities | 22,307 | 18,017 |
| S1200-110 Operating and maintenance | 37,894 | 42,214 |
| S1200-140 Insurance | 7,065 | 9,790 |
| S1200-180 Interest | 32,180 | 33,015 |
| S1200-230 | <u>113,850</u> | <u>118,344</u> |
| S1200-240 NET CASH FROM OPERATING ACTIVITIES | 23,124 | 22,953 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| S1200-250 Net Deposits to reserve for replacement and residual reserve accounts | (386) | 235 |
| S1200-330 Purchase of fixed assets | - | - |
| S1200-350 NET CASH FROM INVESTING ACTIVITIES | <u>(386)</u> | <u>235</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| S1200-360 Mortgage principal payments | (12,775) | (12,003) |
| S1200-370 Net proceeds (repayments) on loan from affiliate | (8,528) | (8,614) |
| S1200-460 NET CASH FROM FINANCING ACTIVITIES | <u>(21,303)</u> | <u>(20,617)</u> |
| S1200-470 NET INCREASE (DECREASE) IN CASH | 1,435 | 2,571 |
| S1200-480 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>17,543</u> | <u>14,972</u> |
| S1200T CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 18,978</u> | <u>\$ 17,543</u> |

Continued

See accompanying notes to financial statements.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF CASH FLOWS - CONTINUED

Years Ended June 30, 2016 and 2015

| <u>HUD Account</u> | | <u>2016</u> | <u>2015</u> |
|------------------------|--|------------------|------------------|
| | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| 3250 | Decrease in net assets | \$ 4,572 | \$ 5,149 |
| | Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities | | |
| 6600 | Depreciation and Amortization | 18,454 | 19,040 |
| | Changes in assets and liabilities: | | |
| S1200-500 | (Increase) decrease in accounts receivable | (269) | (173) |
| S1200-520 | (Increase) decrease in prepaid expenses | 434 | - |
| S1200-510 | Increase (decrease) in accrued expenses | - | (1,000) |
| S1200-570 | Increase (decrease) in accrued interest | (67) | (63) |
| S1200-610 | NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 23,124</u> | <u>\$ 22,953</u> |

See accompanying notes to financial statements.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

Notes to Basic Financial Statements

June 30, 2016 and 2015

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Louisiana Disabled Persons Finance Corporation (the Corporation) is presented to assist in understanding the Corporation's financial statements. The financial statements and notes are representations of the Corporation's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

1. Organization

Louisiana Disabled Persons Finance Corporation was organized as a nonprofit organization formed to acquire and operate a Section 8 apartment project with twenty units, located in Lake Charles, Louisiana, under the provisions of Section 221(d)(4) of the National Housing Act. The Corporation acquired the apartment project on July 1, 1989 and rents apartments to mentally and physically-handicapped individuals in Southwest Louisiana. A portion of the tenants' rents are subsidized by the U.S. Department of Housing and Urban Development (HUD).

2. Use of Estimates

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Financial Statement Presentation

The Corporation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Corporation is required to report information regarding the nature and amount of its net assets. The Corporation has discontinued its use of fund accounting and, accordingly, has reclassified its financial statements to present net assets. None of the Corporation's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets under SFAS No. 117.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. Depreciation

Property and equipment is stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of assets to operations over the following estimated useful lives on the straight-line method.

| | <u>Years</u> |
|--------------------|--------------|
| Building | 5-30 |
| Fixed equipment | 15 |
| Portable equipment | 5 |

The property and equipment of the Organization may not be disposed of without the prior approval of HUD.

5. Income Taxes

The Corporation is a nonprofit organization generally not subject to income taxes according to the provisions of Federal Internal Revenue Code Section 501(c)3 and Louisiana State income tax laws and regulations and, in accordance with an Internal Revenue Service determination letter dated December 13, 1999, is not a private foundation as defined in Federal Internal Revenue Code Section 509(a)(i).

Tax years 2013 through 2015 remain subject to examination by the IRS.

6. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less. The statement reflects ending cash and cash equivalents of \$18,978 which represents unrestricted amounts of \$4,504 and restricted amounts of \$14,474.

7. Accounts Receivable

Uncollectible amounts due for receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible. The allowance for bad debts at June 30, 2016 and 2015 is \$0 and \$0, respectively.

8. Reserve for Replacements

The Corporation is required by HUD to establish a separate reserve fund in a federally insured depository. The Corporation must make monthly deposits of \$193.00 into the reserve fund. The funds may only be used after approval is obtained from HUD.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
 U.S. DEPARTMENT OF HOUSING AND URBAN
 DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

9. Residual Reserve

The Corporation is required by HUD to establish a separate reserve fund in a federally insured depository. The Corporation must deposit the annual residual receipts (surplus cash) into the residual reserve fund. The funds may only be used after approval is obtained from HUD.

10. Subsequent Events

Management has evaluated subsequent events through September 22, 2016, the date the financial statements were available to be issued.

NOTE B - MORTGAGE NOTE PAYABLE

| | |
|--|-------------------|
| Calcasieu Association for Retarded Citizens, Inc. (CARC): First Mortgage note; secured by a mortgage lien, payable in monthly installments of principle and interest of \$3,751 (interest at 6.25% per annum), maturity at February 2036. | \$ 508,892 |
| Less current maturities | <u>13,596</u> |
| | <u>\$ 495,296</u> |

The following are maturities of long-term debt for each of the next five years:

| | |
|---------------|-----------|
| June 30, 2017 | \$ 13,596 |
| June 30, 2018 | 14,471 |
| June 30, 2019 | 15,402 |
| June 30, 2010 | 16,392 |
| June 30, 2011 | 17,447 |

In February of 2006, Louisiana Disabled Persons Finance Corporation paid the entire loan balance to U.S. Department of Housing and Urban Development. The funding to pay the loan balance was derived from Calcasieu Association for Retarded Citizens (CARC). Interest rate on CARC's thirty year mortgage is to be fixed for five years at 6.25% and terms are to be reviewed every five years. The Corporation has signed a use agreement with HUD to abide by HUD regulations, as they apply to this project, and the continued Section 8 contract.

NOTE C - COMMITMENTS AND CONTINGENCIES

Louisiana Disabled Persons Finance Corporation receives a substantial amount of its support from the U.S. Department of Housing and Urban Development. A significant reduction in the level of this support, if this were to occur, may have a material effect on the Corporation's programs and activities.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
 CERTIFIED PUBLIC ACCOUNTANTS

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENTAL PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

NOTE D - RELATED PARTY TRANSACTIONS

The Corporation shares a common Board of Directors with Calcasieu Association for Retarded Citizens, Inc. (CARC). Any change in the relationship of these organizations could result in changes in financial position significantly different from that reported in these financial statements.

Included in the financial statements for June 30, 2016 and 2015 is a liability to CARC of \$11,718 and \$20,246, respectively, representing amounts advanced by CARC for operations in previous years and expenses which have been paid by CARC but were not yet reimbursed as of the date of the balance sheets. These amounts are due on demand by CARC.

CARC charges for services provided to Louisiana Disabled Persons Finance Corporation. These services include lawn and other maintenance, janitorial services and vehicle usage. Included in operating and maintenance expense for June 30, 2016 and 2015 were \$7,505 and \$8,797, respectively for these services.

CARC paid rent on one unit in the past, but beginning July 1, 2015 has discontinued renting. Included in rental revenue for June 30, 2016 and 2015, CARC paid \$- and \$6,666, respectively.

See Note B for long term debt payable to CARC.

CARC acts as the Corporation's management agent and, as such, provides a substantial amount of support to the Corporation for a management fee based on the lesser of \$600.00 per month or 7.74% of the Corporation's residential income from the apartment complex. For the years ended June 30, 2016 and 2015, CARC's management fees were \$7,200 and \$7,200, respectively.

NOTE E - CONCENTRATIONS

The Corporation's operations are concentrated in the real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE F - RENT INCREASES

Under the regulatory agreement, the Corporation may not increase rents charged to tenants without HUD approval.

SUPPLEMENTARY INFORMATION REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
 U.S. DEPARTMENT OF HOUSING AND URBAN
 DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
 OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2016

Accounts and notes receivable (other than from regular tenants):

None

Delinquent tenant accounts receivable:

Delinquent 30 days \$ 773

Mortgage escrow deposits:

None

Tenants' security deposits:

Tenants' security deposits are held in a separate bank account in the name of the project by Business First Bank, Lake Charles, Louisiana. At June 30, 2016, the account consisted of \$2,787 in cash. Interest earned on the account does not inure to the tenants.

Reserve for replacements:

In accordance with the provision of the Regulatory Agreement, restricted cash is held by Business First Bank to be used for replacement of property with the approval of HUD. The account activity for the year is as follows:

| | | |
|----------------|------------------------|------------------|
| HUD | | |
| <u>Account</u> | | |
| 1320P | Balance, June 30, 2015 | \$ 9,253 |
| 1320DT | Deposits | 2,316 |
| 1320INT | Interest earned | 1 |
| 1320WT | Disbursements | - |
| 1320 | Balance, June 30, 2016 | <u>\$ 11,570</u> |

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2016

Residual receipts reserve:

In accordance with the provision of the Regulatory Agreement, restricted cash is held by Business First Bank. The use of the residual receipts reserve account is contingent upon HUD's prior written approval. The account activity for the year is as follows:

| HUD | | |
|----------------|------------------------|---------------|
| <u>Account</u> | | |
| 1340P | Balance, June 30, 2015 | \$ 117 |
| 1340DT | Deposits | - |
| 1340INT | Interest earned | - |
| 1340WT | Disbursements | - |
| 1340 | Balance, June 30, 2016 | <u>\$ 117</u> |

Accounts payable (other than trade creditors):

None

Management fees payable:

None

Accrued taxes:

None

Loans (other the insured mortgages) and notes payable:

None

Comments on statement of position:

None

Compensation of officers:

There was no compensation of officers for the year ended June 30, 2016.

Identity-of-interest companies:

None

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
 U.S. DEPARTMENT OF HOUSING AND URBAN
 DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
 OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2016

Donations, Subsidy Payments and Founder's Fees:

Amounts received during the year ended June 30, 2016 are as follows:

| | |
|------------------------|------------------|
| Section 8 rent subsidy | \$ <u>63,558</u> |
|------------------------|------------------|

Changes in ownership interests:

Not applicable

Distributions paid to the owners:

Not applicable

Unauthorized distributions paid to the owners:

Not applicable

Computation of surplus cash, distributions, and residual receipts – annual:

| | | |
|----------------|--|--------------------|
| HUD | | |
| <u>Account</u> | | |
| S1300-010 | Cash | \$ 7,291 |
| 1135 | Accounts receivable – HUD | <u>(227)</u> |
| | | 7,064 |
| | Current Obligations: | |
| S1300-050 | Accrued mortgage interest payable | 2,650 |
| S1300-080 | Loans and notes payable due within 30 days | 12,819 |
| 2191 | Tenant security deposits | <u>2,787</u> |
| | Total Current Obligations | <u>18,256</u> |
| S1300-150 | Surplus Cash (Deficiency) | <u>\$ (11,192)</u> |

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
 U.S. DEPARTMENT OF HOUSING AND URBAN
 DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS

Year Ended June 30, 2016

| HUD Account | Fixed Assets | Assets | | | |
|----------------|-------------------------------|-----------------------------|------------------|--------------------------|-----------------------------|
| | | Balance June 30, 2015 | Addition | Transfers Retirements | Balance June 30, 2016 |
| 1420 | Buildings | \$ 530,689 | \$ - | \$ - | \$ 530,689 |
| 1465 | Fixed equipment | 32,827 | - | - | 32,827 |
| 1440 | Portable equipment | <u>23,671</u> | - | - | <u>23,671</u> |
| | TOTAL DEPRECIABLE PROPERTY | 587,187 | - | - | 587,187 |
| 1410 | Land | <u>56,696</u> | - | - | <u>56,696</u> |
| 1400T | Total fixed assets | <u>\$ 643,883</u> | <u>\$ -</u> | <u>\$ -</u> | 643,883 |
| 1495 | Accumulated depreciation | <u>\$ 498,007</u> | <u>\$ 18,454</u> | <u>\$ -</u> | <u>516,461</u> |
| 1400N | Net fixed assets | | | | <u>\$ 127,422</u> |

OTHER INFORMATION

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

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

Year Ended June 30, 2016

Chief Executive Officer: Libby Leone, Executive Director

| <u>Purpose</u> | <u>Amount</u> |
|--|---------------|
| Salary | \$ - |
| Benefits - insurance | - |
| Benefits - retirement | - |
| Benefits - cell phone | - |
| Mileage | - |
| Vehicle provided by government | - |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Registration fees | - |
| Conference travel | - |
| Continuing professional education fees | - |
| Housing | - |
| Unvouchered expenses | - |
| Meal reimbursements | - |
| Dues | - |



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.
KATHRYN BLESSINGTON, C.P.A.
JACKLYN BRANEFF, C.P.A.
BRIAN MCCAIN, C.P.A.

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

September 22, 2016

The Board of Directors
Louisiana Disabled Persons Finance Corporation
Lake Charles, 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 Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report dated September 22, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Disabled Persons Finance Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 entity'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 over financial reporting 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 financial reporting that might be significant deficiencies or material weaknesses. 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 above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Louisiana Disabled Persons Finance Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* is considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Gragson, Casiday & Guillory



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.
KATHRYN BLESSINGTON, C.P.A.
JACKLYN BRANEFF, C.P.A.
BRIAN MCCAIN, C.P.A.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR HUD PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE CONSOLIDATED
AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS

September 22, 2016

The Board of Directors
Louisiana Disabled Persons Finance Corporation
Lake Charles, Louisiana

Report on Compliance for Major HUD Program

We have audited the Louisiana Disabled Persons Finance Corporation HUD Project No. 064-EH139/LA48-T841-013's compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the Guide) that could have a direct and material effect on the major U.S. Department of Housing and Urban Development (HUD) program for the year ended June 30, 2016. Louisiana Disabled Persons Finance Corporation's major HUD program is Section 8 Multifamily Housing Projects.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Corporation's major HUD program based on our audit of the 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 in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major HUD program occurred. An audit includes examining, on a test basis, evidence about the Corporation'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 HUD program. However, our audit does not provide a legal determination of the Corporation's compliance.

Opinion on Major HUD Program

In our opinion, Louisiana Disabled Persons Finance Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major HUD program for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Louisiana Disabled Persons Finance Corporation is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the requirements that could have a direct and material effect on the major HUD program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major HUD program and to test and report on internal control over compliance in accordance with the Guide, 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 Corporation'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 compliance requirement of a HUD program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement of a HUD 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 compliance requirement of a HUD program that is less severe than a material weakness 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 significant deficiencies or material weaknesses. Given these limitations, during our audit 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 is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Gragson, Casiday & Guillory

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

I. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of Louisiana Disabled Persons Finance Corporation.
2. No significant deficiencies or material weaknesses were disclosed or reported during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major HUD program.
5. The auditors' report on compliance for the major HUD program for Louisiana Disabled Persons Finance Corporation expresses an unqualified opinion.
6. There were no audit findings relative to the major HUD program for Louisiana Disabled Persons Finance Corporation.

II. Findings Relating To The Financial Statements Which Are Required To Be Reported In Accordance With Generally Accepted Governmental Auditing Standards

-None

III. Federal Award Findings and Questioned Costs

-None

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2016

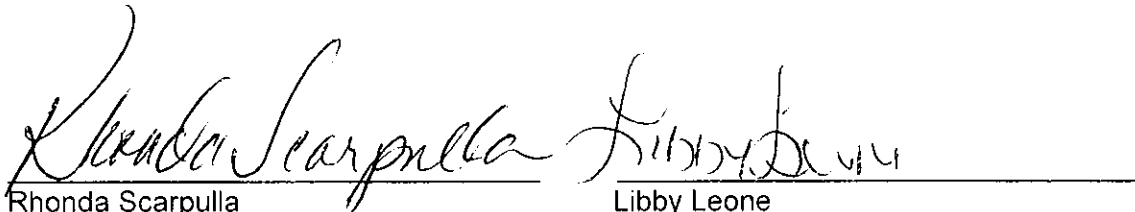
There were no prior year findings.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

CERTIFICATION OF MANAGEMENT AGENT

Year Ended June 30, 2016

We hereby certify that we have examined the accompanying financial statements and supplemental data of Louisiana Disabled Persons Finance Corporation and to the best of our knowledge and belief, the same is complete and accurate.



Rhonda Scarpulla
Finance Director
Calcasieu Association for
Retarded Citizens, Inc.
72-0946698

Libby Leone
Executive Director
Calcasieu Association for
Retarded Citizens, Inc.
72-0946698

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

CERTIFICATION OF PROJECT OWNER

Year Ended June 30, 2016

We hereby certify that we have examined the accompanying financial statements and supplemental data of Louisiana Disabled Persons Finance Corporation and to the best of our knowledge and belief, the same is complete and accurate.

Handwritten signatures of Rhonda Scarpulla and Libby Leone, positioned above a horizontal line.

Rhonda Scarpulla
Finance Director

Libby Leone
Executive Director
Corporation EIN 72-0979554