

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED SEPTEMBER 30, 2023

THE HOUSING AUTHORITY OF LAFOURCHE PARISH

RACELAND, LOUISIANA

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Reports	1 - 8
Management's Discussion and Analysis (MD&A)	9 - 17
<u>FINANCIAL STATEMENTS:</u>	
Statement of Net Position	18 - 19
Statement of Revenues, Expenses and Changes in Net Position	20
Statement of Cash Flows	21 - 22
Notes to Financial Statements	23 - 33
<u>SUPPLEMENTARY INFORMATION:</u>	
Schedule of Expenditures of Federal Awards	34 - 35
Financial Data Schedule	36 - 45
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	46 - 56
CORRECTIVE ACTION PLAN	57 - 58
<u>OTHER SUPPLEMENTARY INFORMATION:</u>	
Schedule of Compensation, Benefits and Other Payments to the Executive Director	59
Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer – City Place II Housing Corporation (Blended Component Unit)	60
<u>LOUISIANA LEGISLATIVE AUDITOR'S STATEWIDE AGREED-UPON PROCEDURES:</u>	
Report on Agreed-Up on Procedures (Louisiana Legislative Auditor's Office)	61 - 62
Addendum A – Description of Statewide Agreed-Up on Procedures	63 - 74
Addendum B – Agreed-Up on Procedures Corrective Action Plan	75

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Housing Authority of Lafourche Parish, Louisiana (the Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 9 through 17 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.

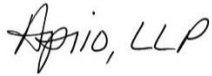
Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards 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 the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director and Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer are presented for the Office of the Louisiana Legislative Auditor's information and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards; Financial Data Schedule; the Schedule of Compensation, Benefits and Other Payments to the Executive Director; and the Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, 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 solely 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 effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

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

Birmingham, Alabama
June 24, 2024

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 Lafourche Parish
Raceland, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Housing Authority of Lafourche Parish, Louisiana (the Authority), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 24, 2024.

Report on 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) as a basis for designing 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 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* or *significant deficiencies* may exist that were not identified.

Report on Compliance and Other Matters

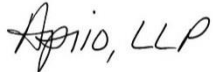
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001.

The Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

Birmingham, Alabama
June 24, 2024

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

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

Report on Compliance for Each Major Federal Program

Qualified Opinion on Each Major Federal Program

We have audited The Housing Authority of Lafourche Parish's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2023. The Authority's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Matters Giving Rise to the Qualified Opinion on Each Major Federal Program

As described in the accompanying Schedule of Findings and Questioned Costs, the Authority did not comply with requirements regarding the Public Housing Program as described in Finding 2023-005 for the Special Tests and Provisions requirement with respect to federal reporting. Additionally, the Authority did not comply with requirements regarding the Capital Fund Program as described in Finding 2023-002 for the Procurement requirement, Finding 2023-003 for the Special Tests and Provisions requirement with respect to Davis Bacon Act compliance, and Finding 2023-005 for the Special Tests and Provisions requirement with respect to federal reporting.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of non-compliance which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2023-004, 2023-005 and 2023-006. Our opinion on each major federal program is not modified with respect to the matters described as Finding 2023-004 and Finding 2023-006.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies* in internal control over compliance and therefore, *material weaknesses* or *significant deficiencies* may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be *material weaknesses* and a *significant deficiency*.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings 2023-002, 2023-003 and 2023-005 to be *material weaknesses*.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-004 to be a *significant deficiency*.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The Authority's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Aprio, LLP

Birmingham, Alabama
June 24, 2024

THE HOUSING AUTHORITY OF LAFOURCHE PARISH, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SEPTEMBER 30, 2023

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2023**

The management of The Housing Authority of Lafourche Parish, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2023. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding operating activities continues to be subsidies from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of operational funding. During fiscal year 2023, capital contributions and insurance proceeds as a result of Hurricane Ida damage were also significant sources of funding.
- The Housing Authority's assets exceeded its liabilities by \$19,969,818 at the close of the fiscal year ended 2023.
 - Of this amount \$7,002,029 represents a restriction equal to the net amount invested in land, buildings, furnishings, improvements, equipment, and construction in process.
 - Also, \$7,889,047 of net position was restricted for repair and rebuild costs of Hurricane Ida property damages.
- The Authority's total net position increased by \$1,395,010.
- Current and restricted assets increased due primarily to elevated property insurance prepayments, and insurance proceeds and grants received to fund Hurricane Ida repair and reconstruction costs.
- Capital assets increased due to capital reconstruction and improvement activity exceeding depreciation during the fiscal year.
- Current liabilities decreased due primarily to a reduction of accounts payable to vendors and contractors as of fiscal year-end.
- Restricted net position increased due primarily to insurance proceeds received for Hurricane Ida repair and reconstruction costs.
- There were \$8.63 of current assets covering each dollar of current liabilities. This ratio has increased compared to the current ratio of \$6.35 as of fiscal year-end 2022.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is: "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2023?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

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

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

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2023**

Using this Annual Report

The Authority's annual report consists of financial statements that show combined information about the Housing Authority's federal and non-federal programs:

- Public Housing Program, including the Capital Fund Program
- Section 8 Housing Choice Voucher Program, including the Disaster Housing Assistance Grant Program
- Community Development Corporation
- City Place II Housing Corporation
- Business Activities
- FEMA Disaster Grants – Public Assistance Program

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

Reporting the Authority's Federal and Non-Federal Programs

The Authority's financial statements provide detailed information about the federal and non-federal programs. Some programs are funded by the Department of Housing and Urban Development (HUD) and the FEMA Grant Program is funded by the Federal Emergency Management Agency (FEMA). The Authority has established other programs to help it control and manage money from non-federal sources.

The Authority uses the following accounting approach for each of its programs: all of the Authority's programs are reported as one Enterprise Fund. The focus of the Fund is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2023**

Financial Analysis

The Authority's net position was \$19,969,818 as of September 30, 2023. Of this amount, \$7,002,029 was a net investment in capital assets (net of accumulated depreciation), \$7,889,047 was restricted and the remaining \$5,078,742 was unrestricted.

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

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current and Restricted Assets	\$ 9,787,280	\$ 9,603,351	\$ 183,929
Capital Assets	7,002,029	5,859,810	1,142,219
Note Receivable	3,444,156	3,444,156	-
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 20,233,465</u>	<u>\$ 18,907,317</u>	<u>\$ 1,326,148</u>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 219,436	\$ 280,342	\$ (60,906)
Non-Current Liabilities	44,211	52,167	(7,956)
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>\$ 263,647</u>	<u>\$ 332,509</u>	<u>\$ (68,862)</u>
Net Position:			
Net Investment in Capital Assets	\$ 7,002,029	\$ 5,859,810	\$ 1,142,219
Restricted Net Position	7,889,047	7,819,754	69,293
Unrestricted Net Position	5,078,742	4,895,244	183,498
Total Net Position	<u>\$ 19,969,818</u>	<u>\$ 18,574,808</u>	<u>\$ 1,395,010</u>

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2023**

Condensed Financial Statements - Continued

The net position of the Authority increased by \$1,395,010 from fiscal year 2022, as illustrated below. In the narrative that follows, the detail factors causing this change are discussed.

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

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Variance</u>
Revenues:				
Tenant Rental	\$ 878,336	\$ 777,448	\$ 100,888	13%
Operating Grants	2,421,152	2,014,397	406,755	20%
Capital Contributions	784,214	51,985	732,229	1409%
Other Grants	59,720	312,726	(253,006)	-81%
Interest Income	54,898	4,060	50,838	1252%
Insurance Proceeds	1,584,420	10,664,564	(9,080,144)	-85%
Other Income	98,935	505,173	(406,238)	-80%
Total Revenues	<u>\$ 5,881,675</u>	<u>\$ 14,330,353</u>	<u>\$ (8,448,678)</u>	-59%
Expenses:				
Administrative	\$ 551,308	\$ 634,765	\$ (83,457)	-13%
Utilities	218,693	212,858	5,835	3%
Maintenance	687,460	688,501	(1,041)	0%
Protective Services	38,621	29,311	9,310	32%
Insurance	672,394	653,796	18,598	3%
General	98,321	112,765	(14,444)	-13%
Housing Assistance Payments	1,319,683	1,034,172	285,511	28%
Financing Fees and Interest	-	357,400	(357,400)	-100%
Casualty Losses	89,565	3,937,953	(3,848,388)	-98%
Depreciation	810,620	688,993	121,627	18%
Total Expenses	<u>\$ 4,486,665</u>	<u>\$ 8,350,514</u>	<u>\$ (3,863,849)</u>	-46%
Increase (Decrease) in Net Position	<u>\$ 1,395,010</u>	<u>\$ 5,979,839</u>	<u>\$ (4,584,829)</u>	

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2023**

Explanations of Financial Analysis - Revenues

Total revenues decreased \$8,448,678, or 59% from fiscal year 2022.

Rental revenues increased due to increases of leasing and rental rates.

Operating grants increased due to an increase of subsidies recognized through the Section 8 Housing Choice Voucher Program.

Capital contributions increased due to an increase of modernization activity on the Authority's Public Housing dwelling properties.

Other grants and insurance proceeds recognized during fiscal years 2022 and 2023 consisted of funding recognized to fund Hurricane Ida repairs and reconstruction costs, and decreased during fiscal year 2023. Insurance proceeds recognized during fiscal year 2023 also included business interruption recoveries.

Other income decreased, due primarily to the fiscal year 2022 realization of a legal settlement from HUD.

Explanations of Financial Analysis - Expenses

Total expenses decreased \$3,863,849, or 46% from fiscal year 2022.

Administrative expenses decreased due primarily to reductions of wages, management fees and miscellaneous office expenses incurred.

Housing assistance payments increased, due to increases of leasing and rental rates.

Financing fees and interest expenses decreased due to the pay-off of outstanding capital debt during fiscal year 2022.

Casualty losses incurred during fiscal years 2022 and 2023 consisted of clean-up and repair costs incurred from Hurricane Ida damage, and decreased during fiscal year 2023.

Depreciation increased due to assets placed in service during fiscal years 2022 and 2023.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2023**

Capital Assets

As of September 30, 2023, the Housing Authority had a total capital asset cost basis of \$34,101,248 invested in a broad range of capital assets. See the Notes to the Financial Statements for more detailed information about capital assets.

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 694,394	\$ 694,394	\$ -	0%
Buildings and Improvements	32,125,687	30,123,304	2,002,383	7%
Furniture and Equipment	1,182,223	1,173,778	8,445	1%
Construction in Process	98,944	156,933	(57,989)	-37%
Accumulated Depreciation	<u>(27,099,219)</u>	<u>(26,288,599)</u>	<u>(810,620)</u>	<u>3%</u>
Net Capital Assets	<u>\$ 7,002,029</u>	<u>\$ 5,859,810</u>	<u>\$ 1,142,219</u>	<u>19%</u>

Loan Receivable

The Authority's Community Development Corporation, a blended component unit, made a 1% mortgage loan to City Place Investors, LLC (a local affiliate of the Authority) to provide financing for the Turnberry Townhomes dwelling project. At the end of fiscal year 2023, the Community Development Corporation was owed \$3,444,156 plus accrued interest of \$833,823 on the loan. An allowance in the amount of \$833,823 is recorded against the accrued interest receivable balance.

Non-current Liabilities

Non-current liabilities include accrued annual leave due to payments expected beyond fiscal year 2023, and Family Self Sufficiency Program escrow deposits.

**The Housing Authority of Lafourche Parish, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2023**

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal Budget than by local economic conditions. The capital budgets for the 2023 fiscal year have already been submitted to HUD for approval and no major changes are expected.

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

Contacting the Authority's Financial Management

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

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

	Enterprise Fund
<u>Current Assets</u>	
Cash	\$ 1,096,971
Accounts Receivable, Net	266,710
Accrued Interest Receivable	139
Investments	108,000
Prepaid Costs	417,908
Inventory	4,301
Total Current Assets	<u>1,894,029</u>
<u>Restricted Assets</u>	
Cash	7,889,047
Investments	4,204
Total Restricted Assets	<u>7,893,251</u>
<u>Capital Assets</u>	
Land	694,394
Buildings and Improvements	32,125,687
Furniture and Equipment	1,182,223
Construction in Process	98,944
	<u>34,101,248</u>
(Less): Accumulated Depreciation	<u>(27,099,219)</u>
Net Capital Assets	<u>7,002,029</u>
Note Receivable	<u>3,444,156</u>
Total Assets	<u>20,233,465</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 20,233,465</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION**

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 129,719
Accrued Wages and Payroll Taxes	2,280
Accrued Compensated Absences	11,678
Tenant Security Deposits	58,701
Unearned Revenue	17,058
Total Current Liabilities	<u>219,436</u>
<u>Non-current Liabilities</u>	
FSS Escrow Deposits	4,204
Accrued Compensated Absences	40,007
Total Non-current Liabilities	<u>44,211</u>
Total Liabilities	<u>263,647</u>
Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>263,647</u>
<u>Net Position</u>	
Net Investment in Capital Assets	7,002,029
Restricted Net Position	7,889,047
Unrestricted Net Position	5,078,742
Total Net Position	<u>19,969,818</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 20,233,465</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Enterprise Fund
<u>Operating Revenues</u>	
Tenant Rent Revenue	\$ 878,336
Operating Grants	2,421,152
Insurance Proceeds - Hurricane Ida	
Business Interruption Recoveries	327,075
Other Revenue	98,935
Total Operating Revenues	<u>3,725,498</u>
<u>Operating Expenses</u>	
Administrative	551,308
Utilities	218,693
Maintenance	687,460
Protective Services	38,621
General Expenses	770,715
Housing Assistance Payments	1,319,683
Depreciation	810,620
Total Operating Expenses	<u>4,397,100</u>
Operating Income (Loss)	<u>(671,602)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Interest Income	54,898
Insurance Proceeds - Hurricane Ida	
Repairs and Reconstruction	1,257,345
Grant Proceeds - Hurricane Ida	59,720
Casualty Losses - Hurricane Ida	(89,565)
Total Non-Operating Revenues (Expenses)	<u>1,282,398</u>
Increase (decrease) before	
Capital Contributions	<u>610,796</u>
Capital Contributions	<u>784,214</u>
Increase (Decrease) in Net Position	1,395,010
Net Position, Beginning	18,574,808
Net Position, Ending	<u>\$ 19,969,818</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 859,439
Cash Received from Operating Grants	2,205,631
Business Interruption Insurance Recoveries	327,075
Cash Received from Other Sources	101,594
Cash Payments for Salaries and Benefits	(714,769)
Cash Payments to Vendors and Landlords	<u>(3,063,235)</u>
Net cash provided (used) by operating activities	<u>(284,265)</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	780,687
Capital Outlay	(1,939,812)
Insurance Proceeds Received, Hurricane Ida	1,257,345
FEMA Grant, Hurricane Ida	365,789
Casualty Losses, Hurricane Ida	<u>(89,565)</u>
Net cash provided (used) by capital and related financing activities	<u>374,444</u>
<u>Cash flows from investing activities:</u>	
Interest Earned from Cash and Investments	54,902
Transfer from Investments	<u>174</u>
Net cash provided (used) by investing activities	<u>55,076</u>
Net Increase in Cash and Restricted Cash	145,255
Total Cash and Restricted Cash, Beginning of Year	<u>8,840,763</u>
Total Cash and Restricted Cash, End of Year	<u>\$ 8,986,018</u>
Reconciliation of cash and restricted cash presented on the Statement of Net Position, to ending cash and restricted cash presented above on the Statement of Cash Flows:	
Cash	\$ 1,096,971
Restricted Cash	<u>7,889,047</u>
Cash and Restricted Cash, End of Year	<u>\$ 8,986,018</u>

Continued on next page

**THE HOUSING AUTHORITY OF LAFOURCHE PARISH
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Enterprise Fund
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ (671,602)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	810,620
Bad Debt Expense	18,700
Change in Accounts Receivable (Tenants)	(24,096)
Change in Accounts Receivable (Grants)	(215,521)
Change in Accounts Receivable (Other)	633
Change in Prepaid Costs and Inventory	(121,110)
Change in Accounts Payable - Operating	(73,472)
Change in Accrued Personnel Expenses	(15,642)
Change in Unearned Revenue (Tenants)	5,199
Change in Security and Escrow Deposits Held	2,026
Net cash provided (used) by operating activities	<u>\$ (284,265)</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH

RACELAND, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Cash and Investments

Cash consists of funds held in checking accounts and investments consist of deposits in money market accounts.

Accounts Receivable

Accounts receivables are carried at the amount considered by management to be collectible. Tenant receivables totaled \$83,681 and are reported net of a \$53,569 allowance for doubtful accounts. Other receivables consisted of grant receivables in the amount of \$236,598.

Prepaid Items and Inventory

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

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

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

Authority management has assessed the carrying values of capital asset balances as of September 30, 2023, and as of June 24, 2024. No significant capital asset value impairments exist as of the noted dates.

PILOT Agreement

The Authority has entered into a Payment-in-Lieu of Taxes (PILOT) Agreement with Lafourche Parish whereby the Authority agrees to pay a negotiated sum in lieu of real property taxes. Fiscal year 2023 PILOT expense was \$59,211, and the Authority owed the Parish \$59,211 of PILOT as of fiscal year-end, which is reported with accounts payable on the Statement of Net Position.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue. The Authority's unearned revenue consisted of tenant prepaid rents of \$10,819 and \$6,239 of unearned grant proceeds.

Revenue Accounting Policies

Dwelling rent income, federal grants recognized for operations, insurance proceeds recognized to supplement rent income and other miscellaneous income are reported as operating income. Federal grants and insurance proceeds recognized to fund capital asset and casualty loss expenditures, and all other revenue, is reported as non-operating revenue.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cost Allocation Plan

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

NOTE B - REPORTING ENTITY DEFINITION

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C – SIGNIFICANT ESTIMATES

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

NOTE D - CASH AND INVESTMENT DEPOSITS

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

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

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

The Authority’s cash consisted of funds held in interest bearing checking accounts totaling a reconciled balance of \$8,986,018. Investments consisted of money market accounts totaling \$112,204. Deposits with financial institutions totaled \$9,227,406 and were secured as follows:

	Deposits in Bank
Insured by FDIC	\$ 742,843
Collateralized with specific securities in the Authority name which are held by a third-party financial institution	1,818,895
Uncollateralized	<u>6,665,668</u>
	<u>\$ 9,227,406</u>

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

Uncollateralized deposits consisted of non-federal insurance proceeds held with City Place II Housing Corporation. Neither the Authority nor the Corporation have incurred any banking losses through June 24, 2024, the date the financial statements were available to be issued.

NOTE E - CONTRACTUAL COMMITMENTS

Outstanding contractual commitments as of September 30, 2023, consisted of architecture contracts of \$708,167 and construction contracts of \$112,816 related to Hurricane Ida reconstruction.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE F – OTHER COMMITMENTS AND CONTINGENCIES

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

NOTE G - PENSION PLAN

The Authority participates in the Housing-Renewal and Local Agency Retirement Plan administered by Housing Authority Retirement Trust. It is a defined contribution plan that consists of the employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Assets in the plan are recorded at market value and are administered by a private corporation under contract with the Housing Authority. All regular and full-time employees are eligible to participate in the plan after having completed six months of continuous and uninterrupted employment. The Authority contributes 8% of the eligible employees' compensation to the Plan. Employees are fully vested in the Authority's contribution after five years of continuous service. During fiscal year 2023, the Authority made the required contributions in the amount of \$28,012.

NOTE H – 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.

In August of 2021, the Authority incurred significant structural damage as a result of Hurricane Ida. Certain structures were rendered uninhabitable and significant reconstruction efforts are necessary to return the applicable properties to an operable status. The Authority's insurance carrier has approved various claims on the applicable structures in the total amount of \$16,334,279 to partially fund rebuild efforts. During fiscal year 2023, the Authority recognized \$1,257,345 of insurance proceeds and \$59,720 of Federal Emergency Management Agency (FEMA) grant funding to fund repairs and reconstruction. Applicable fiscal year expenditures included \$89,565 of casualty loss repair expenses and \$1,147,786 of capital addition expenditures related to Hurricane Ida. The Authority also recognized \$327,075 of proceeds under a business interruption recovery component of its insurance policy to supplement rent revenue.

NOTE I – CONCENTRATION OF RISK

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE J – NON-CURRENT LIABILITIES

Accrued Compensated Absences

It is the Authority’s policy to grant full time permanent employees vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Sick leave also accrues to full time employees to specified maximums. The employees are entitled to vacation leave balances at termination. Leave accrued but not yet paid as of September 30, 2023, is reported as a liability allocated between current and non-current.

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

Inter-program Accrued Interest Payable (Eliminated)

In April of 2001, City Place II Housing Corporation (a blended component unit) executed a mortgage loan against its 112-unit multi-family residential project in the amount of \$4,313,389 payable to the Community Development Corporation of Lafourche Parish (also a blended component unit). In August of 2011, the Community Development Corporation forgave the outstanding principal balance on the note of \$4,313,389. The outstanding accrued interest payable balance as of September 30, 2023 was \$560,741 and matures in March of 2047. There was no interest expense incurred during the year. Because this liability is payable to another blended component unit of the Authority, the outstanding accrued interest has been eliminated from the Authority’s financial statements.

Non-current liability balances as of fiscal year-end and activity for the fiscal year ended September 30, 2023, was as follows:

	<u>October 1,</u>			<u>September 30,</u>	<u>Due Within</u>
	<u>2022 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>2023 Balance</u>	<u>One Year</u>
Tenant Escrow Deposits	\$ 4,378	\$ -	\$ 174	\$ 4,204	\$ -
Accrued Compensated Absences	63,632	18,404	30,351	51,685	11,678
Less: Current portion	<u>(15,843)</u>			<u>(11,678)</u>	
Long-Term Debt Liabilities	<u>\$ 52,167</u>			<u>\$ 44,211</u>	<u>\$ 11,678</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE K – NOTES RECEIVABLE

1. In September 1998, Community Development Corporation of Lafourche Parish (a blended component unit) issued a note to City Place Investors, LLC for \$3,444,156 to provide financing for the Turnberry Townhomes dwelling property. The note is secured by a second mortgage on the City Place I property. The note incurs interest at 1% (non-compounded). Principal and interest are payable on the maturity date of the first mortgage. The outstanding principal balance as of September 30, 2023 was \$3,444,156 with accrued interest of \$833,823. Due to uncertainties regarding the collectability of the interest receivable, an allowance against the entire interest receivable balance has been reported as of fiscal year-end. The note matures in December of 2039.
2. The Community Development Corporation of Lafourche Parish held a second mortgage on the City Place II project. In August of 2011, the Community Development Corporation forgave the outstanding principal balance on the note of \$4,313,389. The outstanding accrued interest receivable balance as of September 30, 2023 was \$560,741. Because this asset is payable from another blended component unit of the Authority, the outstanding accrued interest receivable has been eliminated from the Authority's financial statements. See "NOTE J – NON-CURRENT LIABILITIES" for additional details.

NOTE L – RESTRICTED ASSETS AND NET POSITION

The Authority's restricted assets consisted of the following as of September 30, 2023:

Insurance Proceeds Held for Hurricane Ida Repairs and Reconstruction	\$ 7,711,970
FSS Escrow Deposits	4,204
Held for Housing Assistance Payments	<u>177,077</u>
Total Restricted Assets	<u><u>\$ 7,893,251</u></u>

There were no offsetting liabilities applicable to the insurance proceeds or the funds held for housing assistance payments. Therefore, \$7,889,047 of net position related to these balances is reported as restricted net position in the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE M – CAPITAL ASSETS

A summary of capital assets as of September 30, 2023, is as follows:

	<u>Public Housing & CFP</u>	<u>Housing Choice Vouchers</u>	<u>The Cottages</u>	<u>City Place II</u>	<u>TOTAL</u>
Land	\$ 561,520	\$ -	\$ 32,874	\$ 100,000	\$ 694,394
Building and Improvements	23,989,775	120,000	1,679,090	6,336,822	32,125,687
Furniture and Equipment	1,152,167	21,211	-	8,845	1,182,223
Construction in Process	-	-	-	98,944	98,944
Less Accumulated Depreciation	<u>(20,264,943)</u>	<u>(93,939)</u>	<u>(407,539)</u>	<u>(6,332,798)</u>	<u>(27,099,219)</u>
Total Capital Assets	<u>\$ 5,438,519</u>	<u>\$ 47,272</u>	<u>\$ 1,304,425</u>	<u>\$ 211,813</u>	<u>\$ 7,002,029</u>

A summary of capital asset activity for the fiscal year ended September 30, 2023, is as follows:

	<u>October 1, 2022 Balance</u>	<u>Additions</u>	<u>Transfers and Disposals</u>	<u>September 30, 2023 Balance</u>
Land	\$ 694,394	\$ -	\$ -	\$ 694,394
Construction in Process	<u>156,933</u>	<u>-</u>	<u>(57,989)</u>	<u>98,944</u>
Total Assets not being depreciated	851,327	-	(57,989)	793,338
Buildings and Improvements	30,123,304	1,944,394	57,989	32,125,687
Furniture and Equipment	<u>1,173,778</u>	<u>8,445</u>	<u>-</u>	<u>1,182,223</u>
Total Capital Assets	32,148,409	1,952,839	-	34,101,248
Less Accumulated Depreciation				
Buildings and Improvements	(25,211,460)	(769,040)	-	(25,980,500)
Furniture and Equipment	<u>(1,077,139)</u>	<u>(41,580)</u>	<u>-</u>	<u>(1,118,719)</u>
Net Book Value	<u>\$ 5,859,810</u>	<u>\$ 1,142,219</u>	<u>\$ -</u>	<u>\$ 7,002,029</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE N – BLENDED COMPONENT UNITS FINANCIAL STATEMENTS

Blended Component Units - Condensed Statement of Net Position

	City Place II Housing Corporation 9/30/2023	Community Development Corporation 9/30/2023	Elimination	Total Blended Component Units 9/30/2023
Assets				
Current and restricted assets	\$ 6,871,745	\$ 24,839	\$ -	\$ 6,896,584
Capital assets	211,813	1,304,425	-	1,516,238
Notes receivable	-	3,444,156	-	3,444,156
Interest receivable due from CPII	-	560,741	(560,741)	-
Total assets	<u>7,083,558</u>	<u>5,334,161</u>	<u>(560,741)</u>	<u>11,856,978</u>
Liabilities				
Current liabilities	-	4,891	-	4,891
Non-current interest payable due to CDC	560,741	-	(560,741)	-
Other non-current liabilities	-	837	-	837
Total liabilities	<u>560,741</u>	<u>5,728</u>	<u>(560,741)</u>	<u>5,728</u>
Net position				
Net investment in capital assets	211,813	1,304,425	-	1,516,238
Restricted net position	6,621,812	-	-	6,621,812
Unrestricted net position	(310,808)	4,024,008	-	3,713,200
Total net position	<u>\$ 6,522,817</u>	<u>\$ 5,328,433</u>	<u>\$ -</u>	<u>\$ 11,851,250</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE N – BLENDED COMPONENT UNIT FINANCIAL STATEMENTS - CONTINUED

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

	City Place II Housing Corporation FY 2023	Community Development Corporation FY 2023	Total Blended Component Units FY 2023
Revenues			
Tenant rental revenue	\$ -	\$ 52,473	\$ 52,473
Insurance proceeds recognized	327,075	-	327,075
Other operating revenue	12,040	7,290	19,330
Investment income	41	-	41
Total revenues	339,156	59,763	398,919
Expenses			
Administrative and general expenses	89,081	33,545	122,626
Maintenance and utilities	5,675	34,938	40,613
Casualty losses	23,439	-	23,439
Depreciation	2,478	50,167	52,645
Total expenses	120,673	118,650	239,323
Increase (Decrease) in Net Position	218,483	(58,887)	159,596
Beginning net position	6,304,334	5,334,890	11,639,224
Net position transfer from The HA of LP	-	52,430	52,430
Ending net position	\$ 6,522,817	\$ 5,328,433	\$ 11,851,250

Blended Component Units - Condensed Statement of Cash Flows

	City Place II Housing Corporation FY 2023	Community Development Corporation FY 2023	Total Blended Component Units FY 2023
From (used by) all operating activities	\$ 223,519	(16,353)	207,166
Used by all capital and related financing activities	(23,439)	-	(23,439)
From all investing activities	41	-	41
Net increase (decrease) in cash and restricted cash	200,121	(16,353)	183,768
Beginning cash and restricted cash	6,665,236	18,753	6,683,989
Ending cash and restricted cash	\$ 6,865,357	\$ 2,400	\$ 6,867,757

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE O – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through June 24, 2024, the date the financial statements were available to be issued.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2023

<u>Grantor Program or Cluster Title</u>	<u>Federal Assistance Listing No.</u>	<u>Pass-through Entity Identifying No.</u>	<u>Federal Expenditures</u>	
Public Housing Program	14.850a	N/A	\$	917,932
Housing Choice Voucher Cluster:				
Section 8 Housing Choice Voucher Program	14.871	N/A	\$ 1,489,720	1,489,720
Capital Fund Program	14.872	N/A		797,714
TOTAL HUD EXPENDITURES				3,205,366
Disaster Grants - Public Assistance (Presidentially Declared) - Passed through the State of Louisiana Office of Community Development, Disaster Recovery Unit				
Disaster Recovery Unit	97.036	D3LYFCJXMRS5		59,720
TOTAL FEMA EXPENDITURES				59,720
TOTAL FEDERAL EXPENDITURES			\$	3,265,086

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2023. 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 – AWARDS PASSED-THROUGH TO SUBRECIPIENTS

No federal award funds were passed through to subrecipient grantees during the year ended September 30, 2023.

NOTE 4 – NON-MONETARY FEDERAL AWARDS ASSISTANCE

The Authority did not receive or expend non-monetary federal awards assistance during the year ended September 30, 2023.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – INDIRECT COST RATE

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

The Housing Authority of Lafourche Parish (LA080)
RACELAND, LA
Entity Wide Balance Sheet Summary

Fiscal Year
End: 09/30/2023

	Project Total	Blended Component Unit (City Place II Hsng Corp)	1 Business Activities	8 Other Federal Program 1 (Community Development Corporation)	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$ 704,156	\$ 243,545	\$ 90,569	\$ -	\$ -
112 Cash - Restricted - Modernization and Development	-	-	-	-	-
113 Cash - Other Restricted	1,090,158	6,621,812	-	-	-
114 Cash - Tenant Security Deposits	56,301	-	-	2,400	-
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100 Total Cash	\$ 1,850,615	\$ 6,865,357	\$ 90,569	\$ 2,400	\$ -
121 Accounts Receivable - PHA Projects	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	104,140	-	-	-	132,458
124 Accounts Receivable - Other Government	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-	-
126 Accounts Receivable - Tenants	39,698	10,641	-	10,688	-
126.1 Allowance for Doubtful Accounts -Tenants	(19,228)	(10,641)	-	(2,384)	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	1,338	-	-	-	-
128 Fraud Recovery	-	-	-	-	21,316
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	(21,316)
129 Accrued Interest Receivable	139	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 126,087	\$ -	\$ -	\$ 8,304	\$ 132,458
131 Investments - Unrestricted	108,000	-	-	-	-
132 Investments - Restricted	-	-	-	-	4,204
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-
142 Prepaid Expenses and Other Assets	393,335	6,388	-	14,135	4,050
143 Inventories	4,527	-	-	-	-
143.1 Allowance for Obsolete Inventories	(226)	-	-	-	-
144 Inter Program Due From	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-
150 Total Current Assets	\$ 2,482,338	\$ 6,871,745	\$ 90,569	\$ 24,839	\$ 140,712
161 Land	561,520	100,000	-	32,874	-
162 Buildings	20,183,179	5,070,860	-	1,679,090	120,000
163 Furniture, Equipment & Machinery - Dwellings	416,631	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	735,536	8,845	-	-	21,211
165 Leasehold Improvements	3,806,596	1,265,962	-	-	-
166 Accumulated Depreciation	(20,264,943)	(6,332,798)	-	(407,539)	(93,939)
167 Construction in Progress	-	98,944	-	-	-
168 Infrastructure	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 5,438,519	\$ 211,813	\$ -	\$ 1,304,425	\$ 47,272
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	3,444,156	-
173 Grants Receivable - Non Current	-	-	-	-	-
174 Other Assets	-	-	-	560,741	-
176 Investments in Joint Ventures	-	-	-	-	-
180 Total Non-Current Assets	\$ 5,438,519	\$ 211,813	\$ -	\$ 5,309,322	\$ 47,272
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -

The Housing Authority of Lafourche Parish (LA080)
RACELAND, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2023

	Project Total	Blended Component Unit (City Place II Hsng Corp)	1 Business Activities	8 Other Federal Program 1 (Community Development Corporation)	14.871 Housing Choice Vouchers
290 Total Assets and Deferred Outflow of Resources	\$ 7,920,857	\$ 7,083,558	\$ 90,569	\$ 5,334,161	\$ 187,984
311 Bank Overdraft	-	-	-	-	-
312 Accounts Payable <= 90 Days	35,760	-	-	-	17,510
313 Accounts Payable >90 Days Past Due	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	2,280	-	-	-	-
322 Accrued Compensated Absences - Current Portion	11,040	-	161	304	173
324 Accrued Contingency Liability	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-
333 Accounts Payable - Other Government	59,211	-	-	-	-
341 Tenant Security Deposits	56,301	-	-	2,400	-
342 Unearned Revenue	8,632	-	-	2,187	6,239
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-
346 Accrued Liabilities - Other	17,238	-	-	-	-
347 Inter Program - Due To	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-
310 Total Current Liabilities	\$ 190,462	\$ -	\$ 161	\$ 4,891	\$ 23,922
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-
353 Non-current Liabilities - Other	-	560,741	-	-	4,204
354 Accrued Compensated Absences - Non Current	36,013	-	1,109	837	2,048
355 Loan Liability - Non Current	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 36,013	\$ 560,741	\$ 1,109	\$ 837	\$ 6,252
300 Total Liabilities	\$ 226,475	\$ 560,741	\$ 1,270	\$ 5,728	\$ 30,174
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	5,438,519	211,813	-	1,304,425	47,272
511.4 Restricted Net Position	1,090,158	6,621,812	-	-	-
512.4 Unrestricted Net Position	1,165,705	(310,808)	89,299	4,024,008	110,538
513 Total Equity - Net Assets / Position	\$ 7,694,382	\$ 6,522,817	\$ 89,299	\$ 5,328,433	\$ 157,810
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 7,920,857	\$ 7,083,558	\$ 90,569	\$ 5,334,161	\$ 187,984

The Housing Authority of Lafourche Parish (LA
RACELAND, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2023

	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Public Assistance	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	ELIM	Total Enterprise Fund
111 Cash - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 1,038,270
112 Cash - Restricted - Modernization and Development	-	-	-	-	-
113 Cash - Other Restricted	177,077	-	-	-	7,889,047
114 Cash - Tenant Security Deposits	-	-	-	-	58,701
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100 Total Cash	\$ 177,077	\$ -	\$ -	\$ -	\$ 8,986,018
121 Accounts Receivable - PHA Projects	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-	-	236,598
124 Accounts Receivable - Other Government	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-	-
126 Accounts Receivable - Tenants	-	-	-	-	61,027
126.1 Allowance for Doubtful Accounts -Tenants	-	-	-	-	(32,253)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	1,338
128 Fraud Recovery	-	-	-	-	21,316
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	(21,316)
129 Accrued Interest Receivable	-	-	-	-	139
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ -	\$ -	\$ -	\$ 266,849
131 Investments - Unrestricted	-	-	-	-	108,000
132 Investments - Restricted	-	-	-	-	4,204
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-
142 Prepaid Expenses and Other Assets	-	-	-	-	417,908
143 Inventories	-	-	-	-	4,527
143.1 Allowance for Obsolete Inventories	-	-	-	-	(226)
144 Inter Program Due From	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-
150 Total Current Assets	\$ 177,077	\$ -	\$ -	\$ -	\$ 9,787,280
161 Land	-	-	-	-	694,394
162 Buildings	-	-	-	-	27,053,129
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-	416,631
164 Furniture, Equipment & Machinery - Administration	-	-	-	-	765,592
165 Leasehold Improvements	-	-	-	-	5,072,558
166 Accumulated Depreciation	-	-	-	-	(27,099,219)
167 Construction in Progress	-	-	-	-	98,944
168 Infrastructure	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ 7,002,029
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	3,444,156
173 Grants Receivable - Non Current	-	-	-	-	-
174 Other Assets	-	-	-	(560,741)	-
176 Investments in Joint Ventures	-	-	-	-	-
180 Total Non-Current Assets	\$ -	\$ -	\$ -	\$ (560,741)	\$ 10,446,185
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -

The Housing Authority of Lafourche Parish (LA
RACELAND, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2023

	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Public Assistance	14.135 Mortgage Insurance_Rental and Cooperative Housing for Moderate Income	ELIM	Total Enterprise Fund
290 Total Assets and Deferred Outflow of Resources	\$ 177,077	\$ -	\$ -	\$ (560,741)	\$ 20,233,465
311 Bank Overdraft	-	-	-	-	-
312 Accounts Payable <= 90 Days	-	-	-	-	53,270
313 Accounts Payable >90 Days Past Due	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	2,280
322 Accrued Compensated Absences - Current Portion	-	-	-	-	11,678
324 Accrued Contingency Liability	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	59,211
341 Tenant Security Deposits	-	-	-	-	58,701
342 Unearned Revenue	-	-	-	-	17,058
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-
346 Accrued Liabilities - Other	-	-	-	-	17,238
347 Inter Program - Due To	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-
310 Total Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 219,436
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	(560,741)	4,204
354 Accrued Compensated Absences - Non Current	-	-	-	-	40,007
355 Loan Liability - Non Current	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-
350 Total Non-Current Liabilities	\$ -	\$ -	\$ -	\$ (560,741)	\$ 44,211
300 Total Liabilities	\$ -	\$ -	\$ -	\$ (560,741)	\$ 263,647
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	-	-	-	-	7,002,029
511.4 Restricted Net Position	177,077	-	-	-	7,889,047
512.4 Unrestricted Net Position	-	-	-	-	5,078,742
513 Total Equity - Net Assets / Position	\$ 177,077	\$ -	\$ -	\$ -	\$ 19,969,818
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 177,077	\$ -	\$ -	\$ (560,741)	\$ 20,233,465

The Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2023

	Project Total	Blended Component Unit (City Place II Hsng Corp)	1 Business Activities	8 Other Federal Program 1 (Community Development Corporation)	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue	\$ 801,518	\$ -	\$ -	\$ 52,448	\$ -
70400 Tenant Revenue - Other	41,433	-	-	25	-
70500 Total Tenant Revenue	\$ 842,951	\$ -	\$ -	\$ 52,473	\$ -
70600 HUD PHA Operating Grants	931,432	-	-	-	1,489,720
70610 Capital Grants	784,214	-	-	-	-
70710 Management Fee	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-
70750 Other Fees	-	-	-	-	-
70700 Total Fee Revenue	\$ 1,715,646	\$ -	\$ -	\$ -	\$ 1,489,720
70800 Other Government Grants	-	-	-	-	-
71100 Investment Income - Unrestricted	52,205	41	1,399	-	1,253
71200 Mortgage Interest Income	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	1,101
71500 Other Revenue	1,337,139	339,115	6,000	-	-
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-
70000 Total Revenue	\$ 3,947,941	\$ 339,156	\$ 7,399	\$ 52,473	\$ 1,492,074
91100 Administrative Salaries	137,735	9,545	3,583	-	52,336
91200 Auditing Fees	17,800	12,400	-	-	13,000
91300 Management Fee	-	40,320	-	-	-
91310 Book-keeping Fee	-	-	-	-	-
91400 Advertising and Marketing	1,697	-	-	6	-
91500 Employee Benefit contributions - Administrative	64,536	9,360	298	-	29,303
91600 Office Expenses	35,142	3,863	-	8,055	29,523
91700 Legal Expense	-	-	-	-	-
91800 Travel	10,305	1,672	-	-	3,475
91810 Allocated Overhead	-	-	-	-	-
91900 Other	27,884	-	1,100	-	38,370
91000 Total Operating - Administrative	\$ 295,099	\$ 77,160	\$ 4,981	\$ 8,061	\$ 166,007
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-
92400 Tenant Services - Other	-	-	-	-	-
92500 Total Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -
93100 Water	70,675	-	-	-	-
93200 Electricity	47,602	-	-	192	-
93300 Gas	52,620	-	-	-	-
93400 Fuel	-	-	-	-	-
93500 Labor	-	-	-	-	-

The Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2023

	Project Total	Blended Component Unit (City Place II Hsng Corp)	1 Business Activities	8 Other Federal Program 1 (Community Development Corporation)	14.871 Housing Choice Vouchers
93600 Sewer	47,604	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-
93000 Total Utilities	\$ 218,501	\$ -	\$ -	\$ 192	\$ -
94100 Ordinary Maintenance and Operations - Labor	247,813	-	-	6,853	-
94200 Ordinary Maintenance and Operations - Materials and Other	125,345	-	-	2,143	-
94300 Ordinary Maintenance and Operations Contracts	149,054	4,175	-	8,003	738
94500 Employee Benefit Contributions - Ordinary Maintenance	115,189	-	-	4,172	-
94000 Total Maintenance	\$ 637,401	\$ 4,175	\$ -	\$ 21,171	\$ 738
95100 Protective Services - Labor	-	-	-	-	-
95200 Protective Services - Other Contract Costs	38,621	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-
95000 Total Protective Services	\$ 38,621	\$ -	\$ -	\$ -	\$ -
96110 Property Insurance	407,221	11,921	-	14,319	-
96120 Liability Insurance	13,037	-	-	570	3,201
96130 Workmen's Compensation	38,781	-	-	-	1,951
96140 All Other Insurance	172,888	-	-	7,889	616
96100 Total insurance Premiums	\$ 631,927	\$ 11,921	\$ -	\$ 22,778	\$ 5,768
96200 Other General Expenses	-	-	-	-	2,006
96210 Compensated Absences	15,871	-	309	323	1,901
96300 Payments in Lieu of Taxes	59,211	-	-	-	-
96400 Bad debt - Tenant Rents	16,317	-	-	2,383	-
96500 Bad debt - Mortgages	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-
96000 Total Other General Expenses	\$ 91,399	\$ -	\$ 309	\$ 2,706	\$ 3,907
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -
96900 Total Operating Expenses	\$ 1,912,948	\$ 93,256	\$ 5,290	\$ 54,908	\$ 176,420
97000 Excess of Operating Revenue over Operating Expenses	\$ 2,034,993	\$ 245,900	\$ 2,109	\$ (2,435)	\$ 1,315,654
97100 Extraordinary Maintenance	8,900	1,500	-	13,575	-
97200 Casualty Losses - Non-capitalized	66,126	23,439	-	-	-
97300 Housing Assistance Payments	-	-	-	-	1,336,771
97350 HAP Portability-In	-	-	-	-	-
97400 Depreciation Expense	754,339	2,478	-	50,167	3,636
97500 Fraud Losses	-	-	-	-	-
90000 Total Expenses	\$ 2,742,313	\$ 120,673	\$ 5,290	\$ 118,650	\$ 1,516,827
10010 Operating Transfer In	3,500	-	-	7,290	-
10020 Operating transfer Out	(3,500)	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-

The Housing Authority of Lafourche Parish (LA080)
 RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2023

	Project Total	Blended Component Unit (City Place II Hsng Corp)	1 Business Activities	8 Other Federal Program 1 (Community Development Corporation)	14.871 Housing Choice Vouchers
10080 Special Items (Net Gain/Loss)	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 7,290	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 1,205,628	\$ 218,483	\$ 2,109	\$ (58,887)	\$ (24,753)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 6,488,754	\$ -	\$ 87,190	\$ 5,334,890	\$ 182,563
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	6,304,334	-	52,430	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -	\$ 157,810
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	3,145	-	-	84	3,300
11210 Number of Unit Months Leased	3,044	-	-	72	2,368
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	294,836	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	7,768	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-
11650 Leasehold Improvements Purchases	481,610	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-

The Housing Authority of Lafourche Parish (LA
RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2023

	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Public Assistance	14.135 Mortgage Insurance, Rental and Cooperative Housing for Moderate Income	ELIM	Total Enterprise Fund
70300 Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ (17,088)	\$ 836,878
70400 Tenant Revenue - Other	-	-	-	-	41,458
70500 Total Tenant Revenue	\$ -	\$ -	\$ -	\$ (17,088)	\$ 878,336
70600 HUD PHA Operating Grants	-	-	-	-	2,421,152
70610 Capital Grants	-	-	-	-	784,214
70710 Management Fee	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-
70750 Other Fees	-	-	-	-	-
70700 Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ 3,205,366
70800 Other Government Grants	-	59,720	-	-	59,720
71100 Investment Income - Unrestricted	-	-	-	-	54,898
71200 Mortgage Interest Income	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	1,101
71500 Other Revenue	-	-	-	-	1,682,254
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-
70000 Total Revenue	\$ -	\$ 59,720	\$ -	\$ (17,088)	\$ 5,881,675
91100 Administrative Salaries	-	-	-	-	203,199
91200 Auditing Fees	-	-	-	-	43,200
91300 Management Fee	-	-	-	-	40,320
91310 Book-keeping Fee	-	-	-	-	-
91400 Advertising and Marketing	-	-	-	-	1,703
91500 Employee Benefit contributions - Administrative	-	-	-	-	103,497
91600 Office Expenses	-	-	-	-	76,583
91700 Legal Expense	-	-	-	-	-
91800 Travel	-	-	-	-	15,452
91810 Allocated Overhead	-	-	-	-	-
91900 Other	-	-	-	-	67,354
91000 Total Operating - Administrative	\$ -	\$ -	\$ -	\$ -	\$ 551,308
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-
92400 Tenant Services - Other	-	-	-	-	-
92500 Total Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -
93100 Water	-	-	-	-	70,675
93200 Electricity	-	-	-	-	47,794
93300 Gas	-	-	-	-	52,620
93400 Fuel	-	-	-	-	-
93500 Labor	-	-	-	-	-

The Housing Authority of Lafourche Parish (LA
RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2023

	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Public Assistance	14.135 Mortgage Insurance, Rental and Cooperative Housing for Moderate Income	ELIM	Total Enterprise Fund
93600 Sewer	-	-	-	-	47,604
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-
93000 Total Utilities	\$ -	\$ -	\$ -	\$ -	\$ 218,693
94100 Ordinary Maintenance and Operations - Labor	-	-	-	-	254,666
94200 Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	127,488
94300 Ordinary Maintenance and Operations Contracts	-	-	-	-	161,970
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	119,361
94000 Total Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 663,485
95100 Protective Services - Labor	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	38,621
95300 Protective Services - Other	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-
95000 Total Protective Services	\$ -	\$ -	\$ -	\$ -	\$ 38,621
96110 Property Insurance	-	-	-	-	433,461
96120 Liability Insurance	-	-	-	-	16,808
96130 Workmen's Compensation	-	-	-	-	40,732
96140 All Other Insurance	-	-	-	-	181,393
96100 Total insurance Premiums	\$ -	\$ -	\$ -	\$ -	\$ 672,394
96200 Other General Expenses	-	-	-	-	2,006
96210 Compensated Absences	-	-	-	-	18,404
96300 Payments in Lieu of Taxes	-	-	-	-	59,211
96400 Bad debt - Tenant Rents	-	-	-	-	18,700
96500 Bad debt - Mortgages	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-
96000 Total Other General Expenses	\$ -	\$ -	\$ -	\$ -	\$ 98,321
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -
96900 Total Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 2,242,822
97000 Excess of Operating Revenue over Operating Expenses	\$ -	\$ 59,720	\$ -	\$ (17,088)	\$ 3,638,853
97100 Extraordinary Maintenance	-	-	-	-	23,975
97200 Casualty Losses - Non-capitalized	-	-	-	-	89,565
97300 Housing Assistance Payments	-	-	-	(17,088)	1,319,683
97350 HAP Portability-In	-	-	-	-	-
97400 Depreciation Expense	-	-	-	-	810,620
97500 Fraud Losses	-	-	-	-	-
90000 Total Expenses	\$ -	\$ -	\$ -	\$ (17,088)	\$ 4,486,665
10010 Operating Transfer In	-	-	-	(10,790)	-
10020 Operating transfer Out	-	(7,290)	-	10,790	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-

The Housing Authority of Lafourche Parish (LA
RACELAND, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2023

	97.109 Disaster Housing Assistance Grant	97.036 Disaster Grants - Public Assistance	14.135 Mortgage Insurance, Rental and Cooperative Housing for Moderate Income	ELIM	Total Enterprise Fund
10080 Special Items (Net Gain/Loss)	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-
10100 Total Other financing Sources (Uses)	\$ -	\$ (7,290)	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ -	\$ 52,430	\$ -	\$ -	\$ 1,395,010
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 177,077	\$ -	\$ 6,304,334	\$ -	\$ 18,574,808
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	(52,430)	(6,304,334)	-	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -	\$ 157,810
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	-	-	-	-	6,529
11210 Number of Unit Months Leased	-	-	-	-	5,484
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	-	-	-	-	294,836
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	7,768
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	481,610
13901 Replacement Housing Factor Funds	-	-	-	-	-

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes

No

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

Yes

None Reported

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

Yes

No

FEDERAL AWARDS

Internal control over Major Programs:

Are material weaknesses identified?

Yes

No

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

Yes

None Reported

Type of report issued on compliance with requirements applicable to each Major Program:

Public Housing Program
Capital Fund Program

Qualified
Qualified

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

Yes

No

Identification of Major Programs:

Public Housing Program
Capital Fund Program

Assistance Listing No.

14.850a
14.872

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee identified as a Low-Risk Auditee?

Yes

No

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section II: Financial Statement Findings:

Prior Year Finding

Finding 2022-001 – Failure to Execute an Established Control Over the Financial Closing Process

Condition

The Authority's financial statements include the financial statements of City Place II Housing Corporation (the Corporation), a blended component unit of the Authority. The Corporation's daily and monthly financial data and transactions are recorded and maintained by its property management company in sub-ledgers on a non-GAAP accounting basis. The Authority's established financial closing and reporting processes and procedures include a review of the detailed transactions maintained in the sub-ledgers by the property management company, and a conversion to GAAP accounting upon posting the Corporation's transactions to the Authority's general ledger. During the fiscal year-end 2022 accounting period close, the Authority posted the Corporation's transactions to the general ledger without performing a review of the detailed transactions maintained in the sub-ledgers.

Current Year Status

As of the fiscal year ended September 30, 2023, the Corporation no longer worked with an external property management company. The Corporation's sub-ledger data was initiated, recorded and maintained by the Authority's financial personnel. Therefore, a conversion to GAAP outside of, and in addition to the Authority's standard financial review and closing process was no longer required or applicable. Therefore, this Finding is not restated.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section II: Financial Statement Findings - Continued:

Current Year Finding

Finding 2023-001 – State of Louisiana Audit Deadline Not Met (Other Matter)

Criteria

The State of Louisiana Legislative Auditor's Office requires local government agencies, and certain blended component units of local government agencies which receive separate audits, to submit their completed audits to the State within six months from the agencies' applicable fiscal year-ends.

Condition and Perspective

The Authority did not submit its completed audit to the State of Louisiana Legislative Auditor's Office within six months of its fiscal year-end.

Cause

The Authority did not complete its audit within six months of its fiscal year-end due to delays with its fiscal year-end financial reporting process.

Effect

Noncompliance with State audit requirements.

Questioned Costs – N/A

Recommendation

We recommend that the Authority complete and submit its audit to the State of Louisiana Legislative Auditor's Office within six months of its fiscal year-end.

Management's Response

The Authority will complete and submit its audit to the State of Louisiana Legislative Auditor's Office within six months of its fiscal year-end. Erial Branch, Executive Director, has assumed the responsibility of assuring completion and submission of the Authority's audit to the State of Louisiana Legislative Auditor's Office within six months of its fiscal year-end, and expects this instance of noncompliance to be resolved by March 31, 2025.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section III: Federal Award Findings and Questioned Costs:

Prior Year Findings and Questioned Costs

Finding 2022-002 – Tenant File Documentation Maintenance (Material Weakness, Noncompliance)

Public Housing Program – Assistance Listing No. 14.850a; Grant period - Fiscal Year Ended September 30, 2022

Condition

During audit fieldwork, forty Public Housing Program tenant files were requested for review for compliance with Program eligibility and reexamination requirements. The following omissions were noted from the review:

- 1) Five files were missing Lead-Based Paint Disclosure Forms
- 2) Five files were missing Community Service Requirements Forms
- 3) One file was missing a signed HUD 9886 Authorization for Release of Information Form
- 4) One file was missing a third-party verification of income

Current Year Status

This Finding is restated as current year Finding 2023-004.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section III: Federal Award Findings and Questioned Costs - Continued:

Current Year Finding and Questioned Costs

Finding 2023-002 – Non-compliance with Internal Procurement Policy (Material Weakness, Material Non-Compliance)

Capital Fund Program – Assistance Listing No. 14.872; Grant Period - Fiscal Year-Ended September 30, 2023

Criteria

Public Housing Authorities (PHA's) should procure federally-funded contracts in accordance with a formal, documented internal Procurement Policy based on federal procurement guidelines, including HUD Handbook 7460.8, Rev. 2, Procurement Handbook for Public Housing Agencies. PHA's are prohibited from awarding contracts to contractors who have been suspended or debarred from performing contracts funded with federal subsidies. Additionally, the Authority's Procurement Policy dictates full compliance with the Handbook. PHA's are permitted to comply with the applicable regulations by A) searching the Excluded Parties List System (EPLS) for the prospective contractor, or B) attaining a certified statement from the contractor in which the contractor certifies against suspension or debarment.

Condition and Perspective

Two Capital Fund Program funded contract awards were sampled. One applicable contract, awarded in the amount of \$481,610, did not contain the contractor's certification against suspension and debarment or evidence that the EPLS was searched for the contractor.

Questioned Costs – None

Cause

Lack of knowledge of federal procurement requirements among applicable personnel administering contract award.

Effect

Non-compliance with the Authority's Procurement Policy and federal regulations.

Recommendation

We recommend that the Authority attain certification against suspension and debarment or search the EPLS for prospective contractors prior to awarding contracts.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section III: Federal Award Findings and Questioned Costs - Continued:

Current Year Finding and Questioned Costs – Continued

Finding 2023-002 – Non-compliance with Internal Procurement Policy - Continued

Management's Response

The Authority will attain certification against suspension and debarment or search the EPLS for prospective contractors prior to awarding contracts. The Authority's Executive Director, Erial Branch, has assumed the responsibility of executing this corrective action as of July 1, 2024.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section III: Federal Award Findings and Questioned Costs - Continued:

Current Year Finding and Questioned Costs - Continued

Finding 2023-003 – Non-compliance with the Davis-Bacon Act (Material Weakness, Material Non-Compliance)

Capital Fund Program – Assistance Listing No. 14.872; Grant Period - Fiscal Year-Ended September 30, 2023

Criteria

The Davis-Bacon Act applies to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Title 29 of the Code of Federal Regulations, Subtitle A, Part 5, Subpart A describes the Davis-Bacon Act and includes a requirement that applicable agencies shall include in their contracts a provision that the contractor or subcontractor comply with those requirements of the Department of Labor regulations (the Davis-Bacon Act). 29 CFR, Subtitle A, Part 5, Subpart A 5.5-A.3 *Payrolls and Basic Records* includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Condition and Perspective

During audit fieldwork, auditors sampled two contractor files for compliance with the Davis Bacon Act. The Authority was unable to provide certified payrolls for one of the two contractors which were required to submit certified payrolls for each week work was performed. \$481,610 was expended under the contract during the fiscal year. Additionally, the Prevailing Wage Rate Clause was not included in the applicable contract.

Questioned Costs - None

Cause

Lack of knowledge of the Davis-Bacon Act requirements among applicable personnel administering contract award and contract oversight.

Effect

Non-compliance with the Davis-Bacon Act.

Recommendation

We recommend that the Authority attain weekly certified payrolls from contractors as applicable for all federally funded contracts subject to the Davis-Bacon Act.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section III: Federal Award Findings and Questioned Costs - Continued:

Current Year Finding and Questioned Costs - Continued

Finding 2023-003 – Non-compliance with the Davis-Bacon Act - Continued

Management's Response

The Authority will attain weekly certified payrolls from contractors as applicable for all federally funded contracts subject to the Davis-Bacon Act. The Authority's Executive Director, Erial Branch, has assumed the responsibility of executing this corrective action as of August 1, 2024.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section III: Federal Award Findings and Questioned Costs - Continued:

Current Year Finding and Questioned Costs – Continued

Finding 2023-004 – Tenant File Documentation Maintenance (Significant Deficiency, Noncompliance)

Public Housing Program – Assistance Listing No. 14.850a; Grant period – Fiscal Year Ended September 30, 2023

Criteria

The Public Housing Occupancy Guidebook and other HUD PIH Notices and Handbooks provide requirements and guidance for which the Public Housing Program is to be administered and operated under with respect to tenant eligibility and reexaminations.

Condition and Perspective

During audit fieldwork, forty Public Housing Program tenant files were requested for review for compliance with Program eligibility and reexamination requirements. The following omissions were noted from the review:

- 1) Three files were missing at least one birth certificate or valid identification
- 2) Two files were missing a third-party verification of income

Cause

Failure to execute controls over tenant file documentation requirements.

Effect

Non-compliance with tenant file documentation requirements.

Questioned Costs – None noted

Recommendation

We recommend that the Authority implement and execute strengthened controls over tenant file documentation maintenance processes and procedures.

Management's Response

The Authority will implement and execute strengthened controls over tenant file documentation maintenance processes and procedures. Erial Branch, Executive Director, has assumed the responsibility of executing strengthened controls over tenant file documentation maintenance as of September 1, 2024.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section III: Federal Award Findings and Questioned Costs - Continued:

Current Year Finding and Questioned Costs – Continued

Finding 2023-005 - Federal Reporting Deadline Not Met/ Unaudited Financial Data Schedule Not Submitted Timely (Material Weakness applicable to Major Programs, Material Noncompliance applicable to Major Programs, Other Matter applicable to Non-Major Programs)

Public Housing Program – Assistance Listing No. 14.850a, Section 8 Housing Choice Voucher Program – Assistance Listing No. 14.871, Capital Fund Program – Assistance Listing No. 14.872, Disaster Grants – Public Assistance (Presidentially Declared) – Assistance Listing No. 97.036; Grant period – Fiscal Year Ended September 30, 2023

Criteria

HUD's Real Estate Assessment Center (REAC) requires receipt of the Unaudited Financial Data Schedule within two months of a public housing agency's fiscal year-end.

Condition and Perspective

The Authority did not submit its Unaudited Financial Data Schedule to REAC within two months of its fiscal year-end. The Authority submitted its Unaudited Financial Data in June of 2024.

Cause

Delays with its fiscal year-end federal reporting process.

Effect

Noncompliance with REAC (federal) reporting requirements.

Questioned Costs – N/A

Recommendation

We recommend that the Authority complete and submit its Unaudited Financial Data Schedule to REAC within two months of its fiscal year-end.

Management's Response

The Authority will complete and submit its Unaudited Financial Data Schedule to REAC within two months of its fiscal year-end. Erial Branch, Executive Director, has assumed the responsibility of assuring completion and submission of the Authority's Unaudited Financial Data Schedule to REAC within two months of its fiscal year-end, and expects this instance of noncompliance to be resolved by November 30, 2024.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2023

Section III: Federal Award Findings and Questioned Costs - Continued:

Current Year Finding and Questioned Costs – Continued

Finding 2023-006 – Noncompliance With Waiting List and Move-in Policies and Procedures (Other Matter)

Section 8 Housing Choice Voucher Program – Assistance Listing No. 14.871; Grant period – Fiscal Year Ended September 30, 2023

Criteria

The Authority's Section 8 Housing Choice Voucher Program participant admittance policies and procedures dictate selection of potential program participants from its waiting list.

Condition and Perspective

Three participants were issued vouchers without being selected from the waiting list. The waiting list was bypassed for these participants. There were no preferences or other reasons for bypassing the waiting list. Applicable fiscal year 2023 housing assistance payments expenditures totaled \$28,135. Fiscal year 2024 housing assistance payments expenditures total \$20,239 through the date of this Report.

Cause

Lack of sufficient monitoring over program admittance procedures.

Effect

Noncompliance with waiting list and move-in policies and procedures.

Questioned Costs – Applicable fiscal year 2023 housing assistance payments expenditures totaled \$28,135. Fiscal year 2024 housing assistance payments expenditures total \$20,239 through the date of this Report.

Recommendation

We recommend that the Authority implement and execute increased monitoring and approval procedures over the program admittance process.

Management's Response

The Authority will implement and execute increased monitoring and approval procedures over the program admittance process. Erial Branch, Executive Director, has assumed the responsibility of implementing and executing increased monitoring and approval procedures over the program admittance process, and anticipates the strengthened controls to be in place by August 1, 2024.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

CORRECTIVE ACTION PLAN

SEPTEMBER 30, 2023

Finding 2023-001 – State of Louisiana Audit Deadline Not Met

Corrective Action

The Authority will complete and submit its audit to the State of Louisiana Legislative Auditor's Office within six months of its fiscal year-end. Erial Branch, Executive Director, has assumed the responsibility of assuring completion and submission of the Authority's audit to the State of Louisiana Legislative Auditor's Office within six months of its fiscal year-end, and expects this instance of noncompliance to be resolved by March 31, 2025.

Finding 2023-002 – Non-compliance with Internal Procurement Policy

Corrective Action

The Authority will attain certification against suspension and debarment or search the EPLS for prospective contractors prior to awarding contracts. The Authority's Executive Director, Erial Branch, has assumed the responsibility of executing this corrective action as of July 1, 2024.

Finding 2023-003 – Non-compliance with the Davis-Bacon Act

Corrective Action

The Authority will attain weekly certified payrolls from contractors as applicable for all federally funded contracts subject to the Davis-Bacon Act. The Authority's Executive Director, Erial Branch, has assumed the responsibility of executing this corrective action as of August 1, 2024.

Finding 2023-004 – Tenant File Documentation Maintenance

Corrective Action

The Authority will implement and execute strengthened controls over tenant file documentation maintenance processes and procedures. Erial Branch, Executive Director, has assumed the responsibility of executing strengthened controls over tenant file documentation maintenance as of September 1, 2024.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

CORRECTIVE ACTION PLAN

SEPTEMBER 30, 2023

Finding 2023-005 - Federal Reporting Deadline Not Met/ Unaudited Financial Data Schedule Not Submitted Timely

Corrective Action

The Authority will complete and submit its Unaudited Financial Data Schedule to REAC within two months of its fiscal year-end. Erial Branch, Executive Director, has assumed the responsibility of assuring completion and submission of the Authority's Unaudited Financial Data Schedule to REAC within two months of its fiscal year-end, and expects this instance of noncompliance to be resolved by November 30, 2024.

Finding 2023-006 – Noncompliance With Waiting List and Move-in Policies and Procedures

Corrective Action

The Authority will implement and execute increased monitoring and approval procedures over the program admittance process. Erial Branch, Executive Director, has assumed the responsibility of implementing and executing increased monitoring and approval procedures over the program admittance process, and anticipates the strengthened controls to be in place by August 1, 2024.

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

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

YEAR ENDED SEPTEMBER 30, 2023

EXPENDITURE PURPOSE

Salary	<u>\$ 75,625</u>
Benefits - Insurance	<u>12,056</u>
Benefits - Retirement	<u>6,050</u>
Conference Travel	<u>1,026</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 94,757</u></u>

Agency Head: Erial Branch, Executive Director

Basis of Presentation:

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

CITY PLACE II HOUSING CORPORATION

RACELAND, LOUISIANA

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

YEAR ENDED SEPTEMBER 30, 2023

EXPENDITURE PURPOSE

Salary	\$ 0
Benefits - Insurance	0
Benefits - Retirement	0
Total Compensation, Benefits and Other Payments	\$ 0

Agency Head: Erial Branch, Executive Director

Basis of Presentation:

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
The Housing Authority of Lafourche Parish
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the period of October 1, 2022 through September 30, 2023. The Housing Authority of Lafourche Parish's (the Authority's) management is responsible for those C/C areas identified in the SAUPs.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUP's for the period of October 1, 2022 through September 30, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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 Purchasing Policy does not address how vendors are added to the vendor list. The Authority doesn't have a policy for acquiring debt. Other applicable Written Policies and Procedures business functions outlined in Addendum A (attached) were sufficiently addressed.

Board

The Board did not receive written updates of the progress of resolving audit findings. Other applicable Board functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

Bank Reconciliations

Applicable Bank Reconciliation functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

Collections

All applicable Collections functions outlined in Addendum A (attached) were addressed and adhered to without exception.

Disbursements

Disbursement documentation does not include evidence of segregation of duties. Other Disbursements functions outlined in Addendum A (attached) were addressed and adhered to without exception.

Credit Cards

Applicable Credit Cards functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

Travel and Expense Reimbursement

Travel and Expense Reimbursement functions outlined in Addendum A (attached) were addressed and adhered to without exception.

Contracts

Applicable Contracts functions outlined in Addendum A (attached) were sufficiently addressed and adhered to.

Payroll and Personnel

Payroll and Personnel functions outlined in Addendum A (attached) were addressed and adhered to without exception.

Ethics

An Ethics Designee has not been appointed. Other Ethics functions outlined in Addendum A (attached) were sufficiently addressed and adhered to. There were no changes to the Ethics Policy during fiscal year 2023.

Debt Service

The Authority did not enter into any debt agreements during fiscal year 2023 or have any debt outstanding as of fiscal year-end.

Fraud Notice

Applicable Fraud Notice functions outlined in Addendum A (attached) were addressed and adhered to without exception.

Information Technology Disaster Recovery/Business Continuity

We performed the procedures on the Information Technology Disaster Recovery/Business Continuity functions outlined in Addendum A (attached) and discussed the results with management.

Sexual Harassment

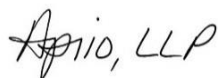
Employees did not complete the annual sexual harassment training. The Authority did not complete an annual sexual harassment report. The other applicable Sexual Harassment function outlined in Addendum A (attached) was addressed and adhered to without exception.

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

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.



Birmingham, Alabama
June 24, 2024

ADDENDUM A

PROCEDURES

Report all findings to the following procedures, either after each procedure or after all procedures, within each of the fourteen 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*).

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **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).
 - v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics²**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology 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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee³

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.⁶

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁷ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post

⁴Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

⁷Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

- ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations¹⁰ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.¹¹
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt¹² at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

¹² As required by Louisiana Revised Statute 39:1212.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card

- numbers and the names of the persons who maintained possession of the cards¹³. Obtain management's representation that the listing is complete.
- B. 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
- i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection)¹⁴. 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements¹⁵ (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation

¹³ Including cards used by school staff for either school operations or student activity fund operations.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

- approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

10) Ethics¹⁹

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service²⁰

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice²¹

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at www.la.gov/hotline

all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

14) Prevention of Sexual Harassment²²

²² While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

ADDENDUM B

THE HOUSING AUTHORITY OF LAFOURCHE PARISH
RACELAND, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED-UPON PROCEDURES

CORRECTIVE ACTION PLAN

SEPTEMBER 30, 2023

Written Policies and Procedures

The Authority will update its Purchasing Policy to address how vendors are added to the vendor list. The Authority will add a policy addressing the acquisition of debt.

Board

Progress updates on the resolution of audit findings will be provided to the Board regularly.

Disbursements

The Authority will include evidence of segregation of duties on disbursement documentation.

Ethics

The Authority will appoint an Ethics Designee.

Sexual Harassment

Employees will complete sexual harassment training. The Authority will complete an annual sexual harassment report.