

CITY PLACE II HOUSING CORPORATION  
A COMPONENT UNIT OF THE  
HOUSING AUTHORITY OF LAFOURCHE PARISH  
RACELAND, LOUISIANA  
REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA  
YEAR ENDED SEPTEMBER 30, 2023

CITY PLACE II HOUSING CORPORATION

RACELAND, LOUISIANA

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
City Place II Housing Corporation  
Raceland, Louisiana

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of City Place II Housing Corporation (the Corporation) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Corporation'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 Corporation 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 Corporation 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 Corporation'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 Corporation'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 Corporation'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.

#### **Other Matter**

The Corporation has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

#### **Supplementary Information**

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The accompanying Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer is presented for the Office of the Louisiana Legislative Auditor's information and is 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 Compensation, Benefits and Other Payments to the Chief Executive Officer is 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 Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of 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 Corporation'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 Corporation's internal control over financial reporting and compliance.

*Aprio, LLP*

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 Directors  
 City Place II Housing Corporation  
 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 City Place II Housing Corporation (the Corporation), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Corporation'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

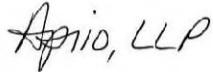
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 Corporation's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Corporation's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Corporation'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 Corporation'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 Corporation'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, flowing style.

Birmingham, Alabama  
June 24, 2024

**CITY PLACE II HOUSING CORPORATION  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

**ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES**

	<b>Enterprise Fund</b>
<u>Current Assets</u>	
Cash	\$ 243,545
Prepaid Costs	6,388
Total Current Assets	<u>249,933</u>
 <u>Restricted Asset</u>	
Cash	6,621,812
Total Restricted Asset	<u>6,621,812</u>
 <u>Capital Assets</u>	
Land	100,000
Buildings and Improvements	6,336,822
Furniture and Equipment	8,845
Construction in Process	98,944
	<u>6,544,611</u>
(Less): Accumulated Depreciation	<u>(6,332,798)</u>
Net Capital Assets	<u>211,813</u>
 Total Assets	 <u>7,083,558</u>
 Deferred Outflows of Resources	 <u>-</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 7,083,558</u>

See the accompanying notes to financial statements.



**CITY PLACE II HOUSING CORPORATION**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

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

	<b>Enterprise Fund</b>
<u>Non-current Liability</u>	
Interest Payable, Non-current	\$ 560,741
Total Non-current Liability	<u>560,741</u>
Total Liability	<u>560,741</u>
Deferred Inflows of Resources	<u>-</u>
Total Liability and Deferred Inflows of Resources	<u>560,741</u>
<u>Net Position</u>	
Net Investment in Capital Assets	211,813
Restricted Net Position	6,621,812
Unrestricted Net Position	<u>(310,808)</u>
Total Net Position	<u>6,522,817</u>
Total Liability, Deferred Inflows of Resources and Net Position	<u>\$ 7,083,558</u>

See the accompanying notes to financial statements.

**CITY PLACE II HOUSING CORPORATION  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Enterprise Fund</b>
<u>Operating Revenues</u>	
Business Interruption Recoveries	\$ 327,075
Other Revenue	12,040
Total Operating Revenues	<u>339,115</u>
 <u>Operating Expenses</u>	
Administrative	77,160
Maintenance	5,675
General Expenses	11,921
Depreciation	2,478
Total Operating Expenses	<u>97,234</u>
 Operating Income (Loss)	 <u>241,881</u>
 <u>Non-Operating Revenue (Expense)</u>	
Interest Income	41
Casualty Losses - Hurricane Ida	<u>(23,439)</u>
Total Non-Operating Revenue (Expense)	<u>(23,398)</u>
 Increase (Decrease) in Net Position	 218,483
 Net Position, Beginning	 <u>6,304,334</u>
Net Position, Ending	<u>\$ 6,522,817</u>

See the accompanying notes to financial statements.

**CITY PLACE II HOUSING CORPORATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Enterprise Fund</b>
<b><u>Cash flows from operating activities:</u></b>	
Business Interruption Insurance Recoveries	\$ 327,075
Cash Received from Other Sources	12,040
Cash Payments for Salaries and Benefits	(18,905)
Cash Payments to Vendors and Landlords	(96,691)
Net cash provided (used) by operating activities	<u>223,519</u>
<b><u>Cash flows from capital and related financing activities:</u></b>	
Casualty Losses, Hurricane Ida	(23,439)
Net cash provided (used) by capital and related financing activities	<u>(23,439)</u>
<b><u>Cash flows from investing activities:</u></b>	
Interest Earned from Cash and Investments	41
Net cash provided (used) by investing activities	<u>41</u>
Net Increase in Cash and Restricted Cash	200,121
Total Cash and Restricted Cash, Beginning of Year	<u>6,665,236</u>
Total Cash and Restricted Cash, End of Year	<u>\$ 6,865,357</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	\$ 243,545
Restricted Cash	6,621,812
Cash and Restricted Cash, End of Year	<u>\$ 6,865,357</u>
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u></b>	
Operating Income (Loss)	\$ 241,881
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	2,478
Change in Prepaid Costs	(855)
Change in Accounts Payable - Operating	(19,985)
Net cash provided (used) by operating activities	<u>\$ 223,519</u>

See the accompanying notes to financial statements.

CITY PLACE II HOUSING CORPORATION  
PROJECT NO. 064-35542

RACELAND, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

City Place Housing Corporation (the Corporation) is a not-for-profit Louisiana corporation. The Corporation has adopted and applied GASBS No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which establishes criteria for consideration of an entity as a governmental entity for purposes of applying accounting and financial reporting standards. Therefore, the financial statements of the Corporation 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 Corporation is 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.

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 incurred. This required the Corporation 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 Corporation has applied all applicable Governmental Accounting Standards Board pronouncements as well as applicable pronouncements issued by the Financial Accounting Standards Board.

Cash

Cash consists of funds held in checking accounts.

Prepaid Items

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

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 and Improvements	15 - 33 years
Furniture and Equipment	5 - 7 years

Corporate 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.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

#### Revenue Accounting Policies

Insurance proceeds recognized to supplement rental income and other miscellaneous operating receipts are reported as operating revenue. Interest income is reported as non-operating revenue.

### NOTE B - REPORTING ENTITY DEFINITION

City Place II Housing Corporation. (the Corporation) was organized in 2001, under the laws of the State of Louisiana, as a non-profit corporation under IRS section 501 (c)(3), to own and operate a 112-unit residential rental project located in Lockport, Louisiana.

The Corporation is a component unit of The Housing Authority of Lafourche Parish, and the Corporation's board of directors is the same as the commissioners of the Housing Authority. The five members of the board are appointed by the Parish Council.

### NOTE C - CASH DEPOSITS

*Custodial Credit Risk* - The Corporation's 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 Corporation's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

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

The Corporation's cash consisted of cash held in an interest-bearing checking account totaling a reconciled balance of \$6,865,357. Deposits with financial institutions totaled \$6,915,668 and were secured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000. As of September 30, 2023, the Corporation's deposits exceeded FDIC limits by \$6,665,668. The Corporation has not experienced any losses through June 24, 2024, the date the financial statements were available to be issued.

### NOTE D - SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. 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, and depreciation and useful lives. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE E – RISK MANAGEMENT

The Corporation 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 Corporation carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Corporation 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. The property is uninhabitable and a significant rebuild effort is necessary to return the property to an operable status. The Corporation's insurance carrier has approved claims in the total amount of \$13,844,264 to partially fund rebuild efforts, all of which was received and recognized prior to fiscal year 2023. Applicable fiscal year expenditures included \$23,439 of casualty loss repair expenses. The Authority also recognized \$327,075 of proceeds under a business interruption recovery component of its insurance policy to supplement rent revenue.

NOTE F – CONCENTRATION OF RISK

Upon significant completion of the rebuild from damages incurred from Hurricane Ida, the Corporation will receive most of its funding through the leasing of 112 units in its apartment project in Lockport, Louisiana. The Corporation's operations will be concentrated in the multifamily real estate market and will be subject to local market influences on rental rates, as well as federal, state, and local regulations that govern the rental industry.

NOTE G – RESTRICTED ASSETS AND NET POSITION

The Corporation's restricted assets and net position consisted of the following as of September 30, 2023:

Insurance Proceeds Held for Hurricane Ida Repairs and Reconstruction	<b><u>\$ 6,621,812</u></b>
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NOTE H – NON-CURRENT LIABILITY / ACCRUED INTEREST PAYABLE

In April of 2001, the Corporation executed a mortgage loan in the amount of \$4,313,389 payable to the Community Development Corporation of Lafourche Parish (also a blended component unit of The Housing Authority of Lafourche Parish). 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.

Non-current liability activity for the year ended September 30, 2023, was as follows:

	<b><u>October 1, 2022 Balance</u></b>	<b><u>Increase</u></b>	<b><u>Decrease</u></b>	<b><u>September 30, 2023 Balance</u></b>	<b><u>Due Within One Year</u></b>
Interest Payable (to CDC)	<u>\$ 560,741</u>	\$ -	\$ -	<u>\$ 560,741</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE I – MANAGEMENT AGREEMENT

In June 2017, the Corporation entered into an exclusive management agreement with Provence Real Estate, LLC, a third-party real estate management company, for management services to be provided to the City Place II project. The agreement provides for the management company to operate, manage, lease, and maintain the project. In return for its services, the management company is reimbursed for expenses and employee salaries and receives a base monthly management fee of \$3,360, with incentives for achieving certain milestones which are paid in the form of additional management fees. The contract continues year to year until cancelled by either party. Management fees earned by Provence Real Estate, LLC during fiscal year 2023 totaled \$40,320. The contract terminated as of June 30, 2023.

As of July 1, 2023 the Authority has taken over property management responsibilities. There is no written agreement and the Authority did not charge the Corporation any management fees during the fiscal year.

NOTE J – CAPITAL ASSETS

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

	<b>October 1, 2022</b>		<b>Transfers and</b>	<b>September 30, 2023</b>
	<b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b><u>Balance</u></b>
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Construction in Process	98,944	-	-	98,944
Total Assets not being depreciated	198,944	-	-	198,944
Buildings and Improvements	6,336,822	-	-	6,336,822
Furniture and Equipment	8,845	-	-	8,845
Total Property and Equipment	6,544,611	-	-	6,544,611
Less Accumulated Depreciation				
Buildings and Improvements	(6,323,034)	(919)	-	(6,323,953)
Furniture and Equipment	(7,286)	(1,559)	-	(8,845)
<b>Net Book Value</b>	<b><u>\$ 214,291</u></b>	<b><u>\$ (2,478)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 211,813</u></b>

NOTE K – CONTRACTUAL COMMITMENTS

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

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE L - INCOME TAXES

The Corporation is exempt from income taxes as a public agency, under Section 501(c)4 of the Internal Revenue Code. As such, only unrelated business income is subject to income tax. Currently, the 2020, 2021 and 2022 tax years are open and subject to examination by the Internal Revenue Service. However, the Corporation is not currently under audit nor has the Corporation been contacted by any of these jurisdictions. Based on an evaluation of the Corporation's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the fiscal year-ended September 30, 2023.

### NOTE M – 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.



CITY PLACE II HOUSING CORPORATION

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

CITY PLACE II HOUSING CORPORATION

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 Corporation's financial statements are included in the financial statements of The Housing Authority of Lafourche Parish, as 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 Corporation'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, which is ultimately used to generate and support the unaudited financial statements of the Corporation. 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.

CITY PLACE II HOUSING CORPORATION

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

Effect

Noncompliance with State audit requirements.

Questioned Costs – N/A

Recommendation

We recommend that the Corporation 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 Corporation 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 Corporation'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.

CITY PLACE II HOUSING CORPORATION

RACELAND, LOUISIANA

CORRECTIVE ACTION PLAN

SEPTEMBER 30, 2023

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

**Corrective Action**

The Corporation 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 Corporation'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.

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	<u>\$ 0</u>
Benefits - Insurance	<u>0</u>
Benefits - Retirement	<u>0</u>
<b>Total Compensation, Benefits and Other Payments</b>	<b><u><u>\$ 0</u></u></b>

Agency Head: Erial Branch, Chief Executive Officer

Basis of Presentation:

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