

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

FINANCIAL REPORTS AND SUPPLEMENTARY INFORMATION

Years Ended June 30, 2020 and 2019

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3-4
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	5-6
STATEMENTS OF ACTIVITIES	7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9-16
SUPPLEMENTARY INFORMATION REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	18-20
SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS	21
OTHER INFORMATION	
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER	23
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	24-25
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR MAJOR HUD PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE CONSOLIDATED AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS	26-27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	28
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	29
CERTIFICATION OF PROJECT OWNER	30
CERTIFICATION OF MANAGEMENT AGENT	31

INDEPENDENT AUDITORS' REPORT

November 2, 2020

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

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Disabled Persons Finance Corporation (a nonprofit organization), HUD Project No. 064-EH139/LA48-T841-013, which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Disabled Persons Finance Corporation as of June 30, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

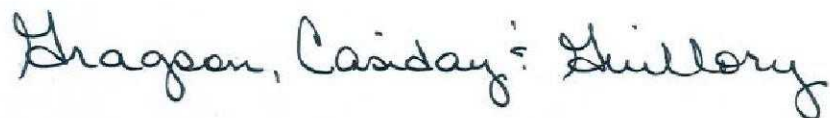
Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to chief executive officer and accompanying supplementary information shown on pages 18 through 23 is presented for the purposes of additional analysis as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2020 on our consideration of the Corporation's internal control over financial reporting and on 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 Louisiana Disabled Persons Finance 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 Louisiana Disabled Persons Finance Corporation's internal control over financial reporting and compliance.



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

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

ASSETS

<u>HUD Account</u>		<u>2020</u>	<u>2019</u>
	CURRENT ASSETS		
1120	Cash	\$ 3,997	\$ 2,380
1130	Accounts receivable - tenants	(358)	102
1135	Accounts receivable - HUD	(227)	(227)
1200	Prepaid expenses	1,847	563
1100T	TOTAL CURRENT ASSETS	<u>5,259</u>	<u>2,818</u>
	RESTRICTED DEPOSITS AND FUNDED RESERVES		
1191	Tenant security deposits	3,221	2,938
1320	Reserve for replacements	18,302	15,951
1340	Residual reserve	117	117
		<u>21,640</u>	<u>19,006</u>
	PROPERTY AND EQUIPMENT		
1420	Buildings	530,689	530,689
1465	Fixed equipment	32,827	32,827
1440	Portable equipment	23,671	23,671
1400T		<u>587,187</u>	<u>587,187</u>
1495	Less accumulated depreciation	583,825	570,406
		3,362	16,781
1410	Land	56,696	56,696
1400N		<u>60,058</u>	<u>73,477</u>
1000T		<u>\$ 86,957</u>	<u>\$ 95,301</u>

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS (DEFICIT)

<u>HUD Account</u>		<u>2020</u>	<u>2019</u>
	CURRENT LIABILITIES		
2170	Current portion of mortgage payable	\$ 17,447	\$ 16,392
2130	Accrued interest payable	2,339	2,424
2190-010	Due to affiliate	14,417	8,860
2122T	TOTAL CURRENT LIABILITIES	<u>34,203</u>	<u>27,676</u>
2191	TENANTS' SECURITY DEPOSITS	3,221	2,938
2320	MORTGAGE NOTE PAYABLE, less current portion	431,585	449,031
3131	NET ASSETS (DEFICIT)	<u>(382,052)</u>	<u>(384,344)</u>
2033T		<u>\$ 86,957</u>	<u>\$ 95,301</u>

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

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2020 and 2019

<u>HUD Account</u>		<u>2020</u>	<u>2019</u>
	REVENUES		
5121	Housing assistance payments	\$ 75,731	\$ 77,188
5120	Rental	64,756	62,205
5990	Other	2,577	2,117
5000T	TOTAL REVENUES	<u>143,064</u>	<u>141,510</u>
	EXPENSES		
6263T	Administrative	7,726	9,021
6320	Management fees	7,200	7,200
6400T	Utilities	22,046	20,406
6500T	Operating and maintenance	50,212	37,421
6600	Depreciation	13,419	17,715
6700T	Insurance	11,630	11,838
6820	Interest	28,539	29,535
	TOTAL EXPENSES	<u>140,772</u>	<u>133,136</u>
5060N	CHANGE IN NET ASSETS	2,292	8,374
51100-050	NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(384,344)</u>	<u>(392,718)</u>
3130	NET ASSETS (DEFICIT), END OF YEAR	<u><u>\$ (382,052)</u></u>	<u><u>\$ (384,344)</u></u>

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2020 and 2019

<u>HUD Account</u>	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
S1200-010 Housing assistance payments	\$ 75,731	\$ 77,188
S1200-010 Rental	65,216	62,100
S1200-030 Other income	2,577	2,117
S1200-040	<u>143,524</u>	<u>141,405</u>
S1200-050 Administrative	7,726	9,021
S1200-070 Management fees	7,200	7,200
S1200-090 Utilities	22,046	20,406
S1200-110 Operating and maintenance	51,496	36,724
S1200-140 Insurance	11,630	11,838
S1200-180 Interest	28,624	29,615
S1200-230	<u>128,722</u>	<u>114,804</u>
S1200-240 NET CASH FROM OPERATING ACTIVITIES	14,802	26,601
CASH FLOWS FROM INVESTING ACTIVITIES		
S1200-250 Net Deposits to reserve for replacement and residual reserve accounts	283	200
S1200-330 Purchase of fixed assets	-	-
S1200-350 NET CASH FROM INVESTING ACTIVITIES	<u>283</u>	<u>200</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
S1200-360 Mortgage principal payments	(16,391)	(15,402)
S1200-370 Net proceeds (repayments) on loan from affiliate	5,557	(11,018)
S1200-460 NET CASH FROM FINANCING ACTIVITIES	<u>(10,834)</u>	<u>(26,420)</u>
S1200-470 NET INCREASE (DECREASE) IN CASH	4,251	381
S1200-480 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>21,386</u>	<u>21,005</u>
S1200T CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 25,637</u>	<u>\$ 21,386</u>
Supplemental Disclosures:		
Cash paid for interest	<u>\$ 28,624</u>	<u>\$ 29,615</u>

See accompanying notes to financial statements.

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

Notes to Basic Financial Statements

June 30, 2020 and 2019

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Organization

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets

Net assets of the Corporation are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Corporation. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

Classification of Net Assets - Continued

The Corporation does not interpret the guidance in the standard to include amounts restricted by HUD as donor-restricted. The Corporation believes that these amounts do not meet the spirit of the standard for such a classification or is there any industry standard indicating that others will treat these assets as donor-restricted.

All net assets of the Corporation at June 30, 2020 and 2019 were considered to be net assets without donor restrictions.

Property and Equipment

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

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

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

Impairment of Long-Lived Assets

The Corporation reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the assets are less than the carrying amount of that asset. To date, there have been no such losses.

Income Taxes

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less. The statement reflects ending cash and cash equivalents of \$25,637 and \$21,386 which represents unrestricted amounts of \$3,997 and \$2,300 and restricted amounts of \$21,640 and \$19,006 at June 30, 2020 and 2019, respectively.

Accounts Receivable

Uncollectible amounts due for receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible. The allowance for bad debts at June 30, 2020 and 2019 is \$0 and \$0, respectively.

Reserve for Replacements

The Corporation is required by HUD to establish a separate reserve fund in a federally insured depository. The Corporation must make monthly deposits of \$195.00 into the reserve fund. The funds may only be used after approval is obtained from HUD.

Residual Reserve

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

Tenant Security Deposits

The tenant security deposits are maintained in an interest-bearing savings account separate from the operating account of the Corporation. Withdrawals are restricted to reimbursements of tenants' security deposits.

Subsequent Events

Management has evaluated subsequent events through November 2, 2020, the date the financial statements were available to be issued.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE B – PROPERTY AND EQUIPMENT

The change in the major categories of the property and equipment are as follows:

<u>HUD Account</u>	<u>Fixed Assets</u>	<u>Balance June 30, 2019</u>	<u>Addition</u>	<u>Transfers Retirements</u>	<u>Balance June 30, 2020</u>
1420	Buildings	\$ 530,689	\$ -	\$ -	\$ 530,689
1465	Fixed equipment	32,827	-	-	32,827
1440	Portable equipment	<u>23,671</u>	<u>-</u>	<u>-</u>	<u>23,671</u>
	TOTAL DEPRECIABLE PROPERTY	587,187	-	-	587,187
1410	Land	<u>56,696</u>	<u>-</u>	<u>-</u>	<u>56,696</u>
1400T	Total fixed assets	<u>\$ 643,883</u>	<u>\$ -</u>	<u>\$ -</u>	643,883
1495	Accumulated depreciation	<u>\$ 570,406</u>	<u>\$ 13,419</u>	<u>\$ -</u>	<u>583,825</u>
1400N	Net fixed assets				<u>\$ 60,058</u>
<u>HUD Account</u>	<u>Fixed Assets</u>	<u>Balance June 30, 2018</u>	<u>Addition</u>	<u>Transfers Retirements</u>	<u>Balance June 30, 2019</u>
1420	Buildings	\$ 530,689	\$ -	\$ -	\$ 530,689
1465	Fixed equipment	32,827	-	-	32,827
1440	Portable equipment	<u>23,671</u>	<u>-</u>	<u>-</u>	<u>23,671</u>
	TOTAL DEPRECIABLE PROPERTY	587,187	-	-	587,187
1410	Land	<u>56,696</u>	<u>-</u>	<u>-</u>	<u>56,696</u>
1400T	Total fixed assets	<u>\$ 643,883</u>	<u>\$ -</u>	<u>\$ -</u>	643,883
1495	Accumulated depreciation	<u>\$ 552,691</u>	<u>\$ 17,715</u>	<u>\$ -</u>	<u>570,406</u>
1400N	Net fixed assets				<u>\$ 73,477</u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE C - MORTGAGE NOTE PAYABLE

CARC, Inc. (CARC):

First Mortgage note; secured by a mortgage lien, payable in monthly installments of principle and interest of \$3,751 (interest at 6.25% per annum), maturity at February 2036.	<u>2020</u>	<u>2019</u>
	\$ 449,032	\$ 465,423
Less current maturities	<u>17,447</u>	<u>16,392</u>
	<u>\$ 431,585</u>	<u>\$ 449,031</u>

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

June 30, 2021	\$ 17,447
June 30, 2022	18,569
June 30, 2023	19,763
June 30, 2024	21,034
June 30, 2025	22,387

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

NOTE D - COMMITMENTS AND CONTINGENCIES

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

NOTE E- RELATED PARTY TRANSACTIONS

The Corporation shares a common Board of Directors with CARC. Any change in the relationship of these organizations could result in changes in financial position significantly different from that reported in these financial statements.

Included in the financial statements for June 30, 2020 and 2019 is a liability to CARC of \$14,417 and \$8,860, respectively, representing amounts advanced by CARC for operations in previous years and expenses which have been paid by CARC but were not yet reimbursed as of the date of the balance sheets. These amounts are due on demand by CARC.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE E- RELATED PARTY TRANSACTIONS - CONTINUED

CARC charges for services provided to Louisiana Disabled Persons Finance Corporation. These services include lawn and other maintenance, janitorial services and vehicle usage. Included in operating and maintenance expense for June 30, 2020 and 2019 were \$6,594 and \$6,974, respectively for these services.

See Note C for long term debt payable to CARC.

CARC acts as the Corporation's management agent and, as such, provides a substantial amount of support to the Corporation for a management fee based on the lesser of \$600.00 per month or 7.74% of the Corporation's residential income from the apartment complex. For the years ended June 30, 2020 and 2019, CARC's management fees were \$7,200 and \$7,200, respectively.

NOTE F - CONCENTRATIONS

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

NOTE G - RENT INCREASES

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

NOTE H – ADOPTION OF ACCOUNTING PRONOUNCEMENT

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes including reducing the classes of net assets for three classes to two – net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Corporation, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for the Corporation's year ending June 30, 2019 and thereafter and must be applied on a retrospective basis. The Corporation adopted the ASU effective July 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE I – LIQUIDITY

At June 30, 2020, the Corporation has \$3,997 cash and cash equivalents available to meet needs for general expenditures consisting of cash of \$3,997 and \$0 of tenant accounts receivable. None of the financial assets are subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the project in the next twelve months. In addition, the Corporation may maintain funds in a reserve for replacement or residual receipts account. These funds are used for the benefit of the tenants and/or Corporation and are required by HUD. The funds may be withdrawn only with the approval of HUD. Such funds are not considered by the Corporation to have donor-restrictions.

The Corporation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Corporation are expected to be met on a monthly basis from the rents of project units. In general, the Corporation maintains sufficient financial assets on hand to meet thirty days worth of normal operating expenses.

NOTE J – FUNCTIONAL EXPENSES

The Corporation provides low-income housing to its tenants. The cost of providing program services and supporting activities has been summarized on a functional basis in the table below. Expenses directly attributable to a specific functional activity are reported as expenses of those functional activities. There are no functional expenses that require allocation between activities.

For the Year ended June 30, 2020:

	<u>Program Services</u>	<u>Supporting Activities - Management and General</u>	<u>Total</u>
Payroll and benefits	\$ 17,360	\$ -	\$ 17,360
Administrative	6,000	1,726	7,726
Management fee	-	7,200	7,200
Utilities	22,046	-	22,046
Repairs and maintenance	32,852	-	32,852
Insurance	11,630	-	11,630
Interest	28,539	-	28,539
Depreciation	13,419	-	13,419
Totals	<u>\$131,846</u>	<u>\$ 8,926</u>	<u>\$140,772</u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE J – FUNCTIONAL EXPENSES - CONTINUED

For the Year ended June 30, 2019:

	<u>Program Services</u>	<u>Supporting Activities - Management and General</u>	<u>Total</u>
Payroll and benefits	\$ 16,691	\$ -	\$ 16,691
Administrative	6,000	3,021	9,021
Management fee	-	7,200	7,200
Utilities	20,406	-	20,406
Repairs and maintenance	20,730	-	20,730
Insurance	11,838	-	11,838
Interest	29,535	-	29,535
Depreciation	17,715	-	17,715
Totals	<u>\$122,915</u>	<u>\$10,221</u>	<u>\$133,136</u>

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

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

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

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

Year Ended June 30, 2020

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

None

Delinquent tenant accounts receivable:

Delinquent 30 days \$ 476

Mortgage escrow deposits:

None

Tenants' security deposits:

Tenants' security deposits are held in a separate bank account in the name of the project by Business First Bank, Lake Charles, Louisiana. At June 30, 2020, the account consisted of \$3,221 in cash. Interest earned on the account does not inure to the tenants.

Reserve for replacements:

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

HUD		
<u>Account</u>		
1320P	Balance, June 30, 2019	\$ 15,951
1320DT	Deposits	2,340
1320INT	Interest earned	11
1320WT	Disbursements	-
1320	Balance, June 30, 2020	<u>\$ 18,302</u>
1320R	Deposit suspended or waived indicator	<u>No</u>

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

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

Year Ended June 30, 2020

Residual receipts reserve:

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

HUD		
<u>Account</u>		
1340P	Balance, June 30, 2019	\$ 117
1340DT	Deposits	-
1340INT	Interest earned	-
1340WT	Disbursements	-
1340	Balance, June 30, 2020	<u>\$ 117</u>

Accounts payable (other than trade creditors):

None

Management fees payable:

None

Accrued taxes:

None

Loans (other the insured mortgages) and notes payable:

None

Comments on statement of position:

None

Compensation of officers:

There was no compensation of officers for the year ended June 30, 2020.

Identity-of-interest companies:

None

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

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

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

Year Ended June 30, 2020

Donations, Subsidy Payments and Founder's Fees:

Amounts received during the year ended June 30, 2020 are as follows:

Section 8 rent subsidy	<u>\$ 75,731</u>
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Changes in ownership interests:

Not applicable

Distributions paid to the owners:

Not applicable

Unauthorized distributions paid to the owners:

Not applicable

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

HUD		
<u>Account</u>		
S1300-010	Cash	\$ 7,218
1135	Accounts receivable – HUD	<u>(227)</u>
		6,991
	Current Obligations:	
S1300-050	Accrued mortgage interest payable	2,339
S1300-080	Loans and notes payable due within 30 days	15,829
2191	Tenant security deposits	<u>3,221</u>
	Total Current Obligations	<u>21,389</u>
S1300-150	Surplus Cash (Deficiency)	<u>\$ (14,398)</u>

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

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

SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS

Year Ended June 30, 2020

	<u>Fixed Assets</u>	<u>Assets</u>			
		<u>Balance June 30, 2019</u>	<u>Addition</u>	<u>Transfers Retirements</u>	<u>Balance June 30, 2020</u>
HUD					
<u>Account</u>					
1420	Buildings	\$ 530,689	\$ -	\$ -	\$ 530,689
1465	Fixed equipment	32,827	-	-	32,827
1440	Portable equipment	<u>23,671</u>	<u>-</u>	<u>-</u>	<u>23,671</u>
	TOTAL DEPRECIABLE PROPERTY	587,187	-	-	587,187
1400T					
1410	Land	<u>56,696</u>	<u>-</u>	<u>-</u>	<u>56,696</u>
1400T	Total fixed assets	<u>\$ 643,883</u>	<u>\$ -</u>	<u>\$ -</u>	643,883
1495	Accumulated depreciation	<u>\$ 570,406</u>	<u>\$ 13,419</u>	<u>\$ -</u>	<u>583,825</u>
1400N	Net fixed assets				<u>\$ 60,058</u>

OTHER INFORMATION

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

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

Year Ended June 30, 2020

Chief Executive Officer: Libby Leone, Executive Director

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

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

November 2, 2020

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report dated November 2, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Disabled Persons Finance Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Shagon, Casiday: Skully

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

November 2, 2020

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

Report on Compliance for Major HUD Program

We have audited the Louisiana Disabled Persons Finance Corporation HUD Project No. 064-EH139/LA48-T841-013's compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the Guide) that could have a direct and material effect on the major U.S. Department of Housing and Urban Development (HUD) program for the year ended June 30, 2020. Louisiana Disabled Persons Finance Corporation's major HUD program is Section 8 Multifamily Housing Projects.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Corporation's HUD program based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major HUD program occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Major HUD Program

In our opinion, Louisiana Disabled Persons Finance Corporation complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the HUD program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Shagon, Casiday & Shillery

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2020

I. Summary of Audit Results

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

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

- None

III. Federal Award Findings and Questioned Costs

- None

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

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year Ended June 30, 2020

IV. Prior Year Audit Findings

-None

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

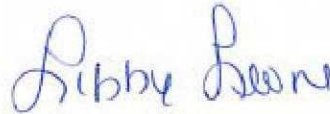
CERTIFICATION OF PROJECT OWNER

Year Ended June 30, 2020

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



Stacy Roach
Finance Director



Libby Leone
Executive Director
Corporation EIN 72-0979554

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

CERTIFICATION OF MANAGEMENT AGENT

Year Ended June 30, 2020

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



Stacy Roach
Finance Director
CARC, INC.
72-0946698



Libby Leone
Executive Director
CARC, INC.
72-0946698