

HOUSING AUTHORITY OF JEFFERSON PARISH

MARRERO, LOUISIANA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
Housing Authority of Jefferson Parish
Marrero, Louisiana

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of Jefferson Parish (the "Authority") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions 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, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



To the Board of Commissioners of
Housing Authority of Jefferson Parish
October 15, 2021

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Housing Authority of Jefferson Parish as of September 30, 2020, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, and schedule of contributions – retirement plan and the related notes to the required supplementary information on pages 4 through 9 and 32 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The HUD financial data schedules and statement of certification of actual modernization costs completed are presented for the purpose of additional analysis as required by the U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for the purpose of additional analysis as required by Louisiana Revised Statute 24:513(A)(3), and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
Housing Authority of Jefferson Parish
October 15, 2021

The HUD financial data schedules, statement of certification of actual modernization costs completed, schedule of compensation, benefits, and other payments to agency head, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 HUD financial data schedules, statement of certification of actual modernization costs completed, schedule of compensation, benefits, and other payments to agency head, and schedule of expenditures of federal awards 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 October 15, 2021, on our consideration of the Authority'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of Jefferson Parish's internal control over financial reporting and compliance.

October 15, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION (PART 1)

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Our discussion and analysis of the Housing Authority of Jefferson Parish's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended September 30, 2020. This discussion and analysis does not include the component unit.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

USING THIS ANNUAL FINANCIAL REPORT

The Authority's annual financial report consists of financial statements that report information about the Authority's most significant programs, such as the Housing Authority's Public Housing, Capital Fund Program, and Housing Choice Voucher Program.

An outline of the annual financial report's content is as follows:

- I. Independent Auditors' Report
- II. Required Supplementary Information (Part 1)
- III. Basic Financial Statements
- IV. Notes to the Financial Statements
- V. Required Supplementary Information (Part 2)
- VI. Other Supplemental Information
- VII. Single Audit Section

Our auditor has provided assurance in their independent auditors' report on pages 1 through 3 that the basic financial statements are fairly stated. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the annual financial report.

FINANCIAL HIGHLIGHTS

Total spending for all programs was approximately \$42.7 million for the year ended September 30, 2020. Housing assistance payments (HAP) to landlords on behalf of program participants was approximately \$36.9 million or 86.5% of total spending. Total operating revenue was approximately \$41.4 million, of which tenant-related income comprised \$466,600 or 1.1%. Subsidies and grants from the U.S. Department of Housing and Urban Development (HUD) comprised 98.9% of operating revenue.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2020

Public Housing Authorities' (PHAs) annual budgets for 2020 are based on mandated procedures that serve to determine every PHA's total and final funding amount. The funding is based on a calendar year. Operating Fund Subsidy decreased from \$630,136 in FY 2019 to \$418,623 in FY 2020, a 33.6% decrease from the prior year, mainly due to the change in pro-ration from the prior year.

The Authority served as contract administrator for a project-based program known as Jefferson Place Apartments. The Jefferson Place Apartments did not recover from the 2005 hurricane disasters and its tenants were issued tenant-based vouchers and the project-based nature of its subsidy was terminated. While the Authority no longer serves as contract administrator for this property, the general ledger of this program must remain open as there are funds in the Jefferson Place Apartments bank account which cannot be co-mingled with any other accounts due to the funding source. Reporting requirements are and will be applicable for Jefferson Place Apartments until the funding source instructs the Authority on the disposition of the remaining funds and the account is closed.

The Disaster Voucher Programs (DVP, DHAP Katrina and DHAP IKE) were created to aid those affected by Hurricanes Katrina and Ike. As these disaster programs are closed, HUD approved some of these vouchers for conversion to the Housing Choice Voucher Program. In cases when the disaster program's voucher was not converted, the participants were eligible to apply for a Housing Choice Voucher Program voucher. The last activity for DHAP Katrina and DVP Programs was October 2009 and October 2010, respectively. The last activity for DHAP Ike was in March of 2012. HUD has conducted funding reconciliations for each program. The accounts of these programs will remain as long as there are funds in their respective bank accounts. Remaining funds of the DVP Program were transferred to the HCV Program upon closing of the DVP Program in 2013. The use of the remaining funds of the DHAP Katrina and DHAP Ike Programs is restricted to purposes defined by HUD, in accordance with the applicable Annual Contributions Contract and other HUD guidelines.

Additionally, in January 2007, HUD approved the Authority to take part in the Section 901 Fungibility portion of the Housing Choice Voucher Program in order to rehabilitate and improve public housing, develop more affordable housing and expand family self-sufficiency services. The Authority was approved for a total award of \$13,847,380 of fungible HAP funds to be used by December 2012. Capital improvements of public housing were completed and all direct tenant related services were provided through December 31, 2012 as per HUD approved plan. Sales proceeds remain in the 901 program account. The only remaining use of those funds prior to the return of any unused 901 Fungibility funds would be for warranty work on homes built and sold under this program. At the close of FYE 2019, the Housing Authority was awaiting HUD instructions regarding the disposition of any remaining 901 funds.

Residential Housing Development Corporation (RHDC) is a non-profit entity established by resolution of the Authority and is a component unit of the Authority. Presently the Board of the Authority serves as the Board of the RHDC. There are no projects at this time.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2020

FINANCIAL ANALYSIS

The Authority's net position was approximately \$7.0 million at September 30, 2020.

The Authority uses sub-funds to help oversee and demonstrate adequate management of money for particular purposes. Separate sub-funds are established to account for each program. The following analysis focuses on the net position and the change in net position of the Authority as a whole, excluding the component unit.

Condensed Statement of Net Position – Proprietary Fund

	<u>09/30/20</u>	<u>09/30/19</u>
Current assets	\$ 6,132,891	\$ 5,307,767
Capital assets, net	2,529,195	2,679,762
Total assets	8,662,086	7,987,529
Total deferred outflows of resources	51,828	155,571
Current liabilities	1,379,313	761,121
Noncurrent liabilities	232,231	342,661
Total liabilities	1,611,544	1,103,782
Total deferred inflows of resources	78,967	17,320
Net position		
Net investment in capital assets	2,529,195	2,679,762
Restricted for: Program Services	273,176	293,259
Unrestricted	4,221,032	4,048,977
Total net position	\$ 7,023,403	\$ 7,021,998

Current assets increased \$825,000 or 15.5% from the prior year as a result of operations. Capital assets decreased by \$150,600 (5.6%) from the prior year, largely due to current year depreciation expense. The aggregation of these factors affecting current assets and capital assets resulted in increase in total assets of \$674,600 (8.5%).

Total liabilities increased by approximately \$507,800 (46.0%) during the current year which is primarily due to unspent CARES Act Supplemental Funding that is required to be reported as unearned revenue until there is an expense to match it against.

The decrease in deferred outflows of resources and increase in deferred inflows of resources are due changes in pension liabilities; particularly, the deferred outflow changed primarily due to differences between projected and actual pension investment earnings.

There was a decrease in investment in capital assets of \$150,600 (5.6%) because of the impact of current year depreciation expense. The decrease of \$20,000 in net position restricted for program services and increase of \$172,000 in unrestricted net position are largely due to normal operations.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2020

Condensed Statement of Revenues, Expenditures and Changes in Net Position - Proprietary Fund

	<u>09/30/20</u>	<u>09/30/19</u>
Operating revenues:		
Charges for services	\$ 466,600	\$ 584,908
Operating grants	40,926,392	38,976,314
Capital grants	448,955	-
Non-operating revenues:		
Interest earnings	4,716	18,750
Capital grants	10,800	-
Portability income	673,759	668,692
Other non-operating receipts	<u>138,863</u>	<u>63,311</u>
Total revenues	<u>42,670,085</u>	<u>40,311,975</u>
Operating expenses		
Administration	3,505,198	2,714,651
Tenant services	248,612	141,416
Utilities	229,125	243,669
Ordinary maintenance and operations	447,136	672,223
Protective services	25,852	48,930
General expenses	402,571	553,348
Housing assistance	36,893,461	35,961,626
HAP portability	662,330	627,092
Depreciation	167,853	167,010
Non-operating expenses		
Extraordinary maintenance	<u>86,542</u>	<u>-</u>
Total expenses	<u>42,668,680</u>	<u>41,129,965</u>
Change in net position	<u>\$ 1,405</u>	<u>\$ (817,990)</u>
Net position, ending	<u>\$ 7,023,403</u>	<u>\$ 7,021,998</u>

Total revenues increased by approximately \$2.4 million or 6.0%, and total expenses increased by \$1.5 million or 3.5%. The increase in revenues is primarily attributed to the increase in HUD capital grants and CARES Act Supplemental Funding. The reason for the increase in operating expenses is largely attributed to a increase in administration expenses and Housing Assistance Payments.

The Authority's net position increased by \$1,400. The increase is primarily attributed to normal operations.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2020

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At September 30, 2020, the Authority had approximately \$8.4 million invested in a broad range of capital assets including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of approximately \$150,600 or 5.6% from last year. The majority of the decrease is due to current year depreciation expense. For more information see Note 4 in the notes to the financial statements.

	<u>09/30/20</u>	<u>09/30/19</u>
Land	\$ 1,546,294	\$ 1,546,294
Building & improvements	5,377,048	5,377,048
Furniture, fixtures & machinery	313,318	296,032
Infrastructure	1,116,057	1,116,057
Vehicles	<u>33,854</u>	<u>33,854</u>
	8,386,571	8,369,285
Less accumulated depreciation	<u>(5,857,376)</u>	<u>(5,689,523)</u>
Capital assets, net of depreciation	<u>\$ 2,529,195</u>	<u>\$ 2,679,762</u>

Pensions

Through GASB Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27," the Authority is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective outflows of resources and deferred inflows of resources related to pensions. At September 30, 2020, the Authority reported \$1,532 for its proportionate share of net pension liability, \$51,828 for deferred outflow of resources and \$78,967 for deferred inflows of resources. See Note 6 to the basic financial statements for further discussion of the pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget via appropriations rather than by local economic conditions. During FYE 2020, HUD pro-rated the Conventional Housing Operating Fund Subsidy to 112% of the calculated subsidy eligibility. In FYE 2020, HUD pro-rated the HCV Administrative Fees by an average of 80.4%. These pro-rations of subsidy and administrative fees had a negative impact on the net operating income of the Authority.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2020

Management Program	Frequency of Budgets
PHA—Owned Housing	Annual
Capital Projects	Annual
Housing Choice Voucher Program	Annual
Mainstream 5 Yr.	Annual

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including the State of Louisiana, declared a state of emergency. There has been no immediate impact to the Authority's operations, but it is anticipated that the effects of the pandemic will last for some time. Future potential impacts may include the inability of tenants to continue making rental payments as a result of job loss or other pandemic related issues.

The Authority has applied to HUD to undertake Streamlined Voluntary Conversion (SVC) under Section 22 of the U.S. Housing Act of 1937 and are awaiting a final decision. SVC is the process whereby a public housing agency voluntarily elects to remove their public housing units from operation and the residents are provided tenant protection vouchers similar to Housing Choice Vouchers (Section 8) to locate housing. Following SVC, the Authority intends to close out its public housing portfolio and demolish all of the public housing units in the Acre Road Housing Development. The Authority has held multiple meetings with the residents of the Acre Road Housing Development, the Board of Commissioners, and local elected officials regarding SVC. Additionally, the Authority has drafted a Conversion Plan to guide this process and has provided this plan to the residents, the Board of Commissioners, and local elected officials. This Conversion Plan was also submitted to HUD as part of the application for SVC. Currently, the Authority is still undergoing an environmental review as part of this plan, as required by HUD. The Authority has also elected to pursue relocation pursuant to its deprogramming authority under 24 C.F.R. § 972.212(b) as recommended and authorized by HUD. Relocation efforts have begun and a portion of the tenants have been issued tenant protection vouchers. A preliminary timeline and best-case scenario is to have all residents out by January of 2022 and to begin demolition by March of 2022. Following demolition of the units, the Authority will be dissolved and all assets will be transferred to Jefferson Parish to be managed by a special housing district as part of Jefferson Parish Government.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Mrs. Teri Rouzan, Interim Executive Director, Housing Authority of Jefferson Parish, 1718 Betty Street, Marrero, Louisiana 70072.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF JEFFERSON PARISH
 JEFFERSON PARISH, LOUISIANA
 STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government	Component Unit
	Business-Type Activities- Enterprise Fund	Residential Housing Development Corporation
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 1,972,647	\$ 3,632
Receivables:		
Tenant receivable, net of allowance for doubtful accounts	2,234	-
Accounts receivable - HUD other projects	202,537	-
Other receivables	337,701	-
Prepaid expenses	314,451	-
Restricted cash and cash equivalents	3,303,321	-
Capital assets not being depreciated	1,546,294	26,362
Capital assets being depreciated, net of accumulated depreciation	982,901	-
Total assets	8,662,086	29,994
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Pensions	51,828	-
Total deferred outflows of resources	51,828	-
<u>LIABILITIES:</u>		
Accounts payable	188,168	-
Accrued expenses	52,515	-
Due to HUD	97,794	-
Unearned revenue	929,368	-
Liabilities payable from restricted assets:		
Deposits held in trust	18,676	-
Noncurrent liabilities:		
Due within one year	92,792	-
Due in more than one year	230,699	-
Other noncurrent liabilities due in more than one year:		
Net pension liability	1,532	-
Total liabilities	1,611,544	-
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Pensions	78,967	-
Total deferred inflows of resources	78,967	-
<u>NET POSITION:</u>		
Net investment in capital assets	2,529,195	26,362
Restricted for:		
Program services	273,176	-
Unrestricted	4,221,032	3,632
Total net position	\$ 7,023,403	\$ 29,994

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Business-Type Activities- Enterprise Fund</u>	<u>Residential Housing Development Corporation</u>
<u>OPERATING REVENUES:</u>		
Charges for services:		
Dwelling rental	\$ 466,600	\$ -
Operating grants and contributions:		
HUD PHA operating grants	40,923,759	-
Other operating grants and contributions	2,633	-
Capital grants and contributions:		
HUD PHA capital grants	448,955	-
Total operating revenues	<u>41,841,947</u>	<u>-</u>
<u>OPERATING EXPENSES:</u>		
Administration	3,505,198	-
Tenant services	248,612	-
Utilities	229,125	-
Ordinary maintenance and operations	447,136	-
Protective services	25,852	-
General expense	402,571	-
Housing assistance	36,893,461	-
HAP portability	662,330	-
Depreciation expense	167,853	-
Total operating expenses	<u>42,582,138</u>	<u>-</u>
Net operating (loss)	<u>(740,191)</u>	<u>-</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>		
Capital grants and contributions	10,800	-
Income portability	673,759	-
Extraordinary maintenance	(86,542)	-
Other non-operating receipts	138,863	-
Interest income	4,716	6
Total non-operating revenues (expenses)	<u>741,596</u>	<u>6</u>
Change in net position	1,405	6
Net position - beginning	<u>7,021,998</u>	<u>29,988</u>
Net position - ending	<u>\$ 7,023,403</u>	<u>\$ 29,994</u>

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Business-Type Activities- Enterprise Fund</u>	<u>Residential Housing Development Corporation</u>
<u>CASH FLOWS FROM (USED IN)</u>		
<u>OPERATING ACTIVITIES:</u>		
Rental receipts	\$ 467,910	\$ -
Federal grant income	41,789,604	-
Other receipts	(336,952)	-
Payments to vendors and others	(4,192,576)	-
Payments to employees	(871,722)	-
Housing assistance payments	(36,706,608)	-
	<u>149,656</u>	<u>-</u>
Net cash (used in) operating activities		
<u>CASH FLOWS FROM NON-CAPITAL</u>		
<u>FINANCING ACTIVITIES:</u>		
Non-operating revenues	726,080	-
	<u>726,080</u>	<u>-</u>
Net cash from non-capital financing activities		
<u>CASH FLOWS FROM (USED FOR) CAPITAL AND</u>		
<u>RELATED FINANCING ACTIVITIES:</u>		
Capital contributions	10,800	-
Acquisition and construction of capital assets	(17,286)	-
	<u>(6,486)</u>	<u>-</u>
Net cash from capital and related financing activities		
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest and investment income	4,716	6
	<u>4,716</u>	<u>6</u>
Net cash from investing activities		
Net change in cash and cash equivalents	<u>873,966</u>	<u>6</u>
Cash and cash equivalents at October 1, 2019	<u>4,402,002</u>	<u>3,626</u>
Cash and cash equivalents at September 30, 2020	<u>\$ 5,275,968</u>	<u>\$ 3,632</u>

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Business-Type Activities- Enterprise Fund</u>	<u>Residential Housing Development Corporation</u>
<u>Reconciliation of operating (loss) to net cash (used in) operating activities:</u>		
Operating (loss)	\$ (740,191)	\$ -
Adjustments to reconcile operating (loss) to net cash used in operating activities:		
Depreciation	167,853	-
Pension expense	(15,836)	-
(Increase) decrease in assets:		
Tenant receivable	1,310	-
Accounts receivable - HUD other projects	414,257	-
Other receivable	(336,952)	-
Prepaid expenses	(29,773)	-
Increase (decrease) in liabilities:		
Accounts payable	(199,584)	-
Accrued expenses	(28,105)	-
Due to HUD	(77,000)	-
Advances from contracts	926,183	-
Deposits held in trust	68,360	-
Compensated absences	(866)	-
Net cash (used in) operating activities	<u>\$ 149,656</u>	<u>\$ -</u>
<u>Reconciliation of cash and cash equivalents to statement of net position:</u>		
Cash and cash equivalents - unrestricted	\$ 1,972,647	\$ 3,632
Cash and cash equivalents - restricted	<u>3,303,321</u>	<u>-</u>
Totals	<u>\$ 5,275,968</u>	<u>\$ 3,632</u>

The accompanying notes are an integral part of this statement

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Housing Authority of Jefferson Parish (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Authority was established on April 16, 1953 pursuant to a resolution of the Police Jury of Jefferson Parish and is chartered as a political subdivision under the laws of the State of Louisiana (LSA-R.S. 40:391). The Authority was created to administer funds, through the issuance of bonds and U.S. Department of Housing and Urban Development (HUD) annual contribution contracts to promote decent, safe and sanitary housing for lower-income families that cannot afford standard private housing.

The Authority has a nine-member appointed Board of Commissioners and is headed by an Executive Director. The Board has the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters.

As of September 30, 2020, the Authority had the following number of units under its programs:

<u>Management Program</u>	<u>Grant ID No.</u>	<u>Number of Units</u>
PHA owned housing	FW-1331	200
Capital Fund		N/A
Section 8 Programs	FW-2054	
Housing Choice Vouchers		4,735
Mainstream 5 Year		100
Special allocations-		
Jefferson Place Apartments		N/A

Under the provisions of GASB Statement No. 14, the Authority is considered a primary government. The Authority has a component unit, Residential Housing Development Corporation (RHDC), which is reported as a discretely presented component unit.

In determining how to define the reporting entity, management has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

These criteria include manifestation of oversight responsibility, including financial accountability, appointment of voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

RHDC is included in the reporting entity because the Authority appoints the voting majority of RHDC's governing Board of Commissioners and is able to impose its will. The purpose of RHDC is to acquire, develop, and foster the improvement of dwelling units for the benefit of certain qualified recipients.

The Authority has not entered into joint ventures with other entities during the 2020 fiscal year.

Any evidence of indebtedness is solely the obligation of the Authority and is not an obligation of the Parish of Jefferson or the State of Louisiana.

Governmental-Wide Financial Statements

The Authority's basic financial statements consist of proprietary statements, including a statement of net position, a statement of revenues, expenditures and changes in net position and a statement of cash flows.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The proprietary statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Shared revenues are recognized when the provider government recognized the liability to the Authority. Grants are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

State appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. For financial purposes, the Authority reports all of its primary government operations as a single business activity in a single proprietary enterprise fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Authority has elected not to follow subsequent private-sector guidance.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The Authority does not use encumbrance accounting.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are HUD provided federal grants and rent payments. The major operating expenses of the Authority include housing assistance payments, administrative expenses, ordinary maintenance and operations expenses, and general expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets

The Authority prepares budgets for the Conventional, Capital Fund, Section 8 and Main Stream 5 Year programs. The Board of Commissioners approves the Conventional and Capital Fund budgets. HUD approves the Capital Fund, Section 8 and Main Stream 5 Year program budgets. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

Cash and Cash Equivalents

For purposes of the statement of net position, cash includes all demand deposit and interest bearing demand deposit accounts of the Authority. For the purposes of the proprietary funds statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. In accordance with Louisiana Statutes, the Authority maintains deposits at those depository banks authorized by the Authority. All such depositories are members of the Federal Reserve System.

Investments

Investments are limited by R.S 33:2955 and the Authority's investment policy. If the original maturities of investments exceed three months, they are classified as investments for financial reporting purposes. If the original maturities are three months or less, they are classified as cash equivalents.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Authority's statement of net position.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Restricted cash on the statement of net position for the Authority represents cash for the Family Self-Sufficiency Program, the Housing Choice Voucher Program, and certain other programs. Restricted cash is more fully detailed in Note 3. A corresponding amount of net position is restricted as these monies are legally segregated for a specific future use.

Receivables

Accounts receivable from tenants are stated at net realizable value as required by GAAP. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of September 30, 2020, the amount of \$39,593 was recorded as the allowance for doubtful accounts from tenants.

Capital Assets and Depreciation

Capital assets are recorded at historical cost and are depreciated over their estimated useful lives. Capital assets include all items costing over \$1,000. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Building and improvements	40
Furniture, fixtures, and machinery	3-7
Infrastructure	6
Vehicles	5

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Authority has one item that qualifies for reporting in this category, deferred amounts related to pensions.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the classified employee is not paid for them if not used by his/her retirement or termination date.

Advances from Contracts

The Authority classifies as advances from contracts certain revenues under temporary programs that require a refund of any grants that are not expended during the period of the grant.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Parochial Employees' Retirement System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Equity Classifications

In the government-wide proprietary financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Net Position

Restrictions, when appropriate, represent those portions of net position that are restricted in use by external parties or by law for a specific future use. There were restrictions of net position in the amount of \$330,824 as of September 30, 2020 for programs services.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds during the reporting period. Actual results could differ from those estimates.

Date of Management's Review

Subsequent events have been evaluated through October 15, 2021, the date the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS

At September 30, 2020 the carrying amount of the Authority's bank deposits was \$5,275,968. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

Cash and deposits are categorized into three categories of credit risk. Category 1 includes deposits covered by federal depository insurance or by collateral held by the Authority or its agent, in the Authority's name. Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the Authority's name. Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Authority's name, and deposits which are uninsured or uncollateralized.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(2) CASH AND CASH EQUIVALENTS (CONTINUED)

At September 30, 2020, the bank balance was \$5,601,666. Of the bank balance, \$250,000 was covered by federal depository insurance (Category 1). In compliance with State laws, the remaining balance of \$5,351,666 was secured by bank owned securities specifically pledged to the Authority and held by an independent custodian bank jointly in the name of the Authority and the depository bank (Category 2). Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand. Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. At September 30, 2020, there were no deposits held by the Authority that were exposed to custodial credit risk representing uninsured deposits collateralized by a pledging bank's trust department but not in the Authority's name.

State statutes authorize the Authority to invest in the following types of securities: (1) fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana; (2) direct obligations of the U.S. Government; (3) obligations of U.S. Government agencies that are deliverable on the Federal Reserve System; and (4) repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

The Authority's short-term investments are stated at cost, which approximates market and are classified as cash equivalents in accordance with the Authority's policy discussed in Note 1. There were no short-term investments as of September 30, 2020.

(3) RESTRICTED ASSETS CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents at September 30, 2020 are restricted as follows:

Description	Amount
Family Self-Sufficiency Program	\$ 67,268
Housing Choice Voucher Program	2,833,696
Other Programs	402,357
	\$ 3,303,321

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(4) CAPITAL ASSETS

A summary of changes in proprietary fund type capital assets as of September 30, 2020 is as follows:

	<u>Balance</u> <u>09/30/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>09/30/20</u>
Capital assets, not being depreciated:				
Land	\$ 1,546,294	\$ -	\$ -	\$ 1,546,294
Total capital assets not being depreciated	<u>1,546,294</u>	<u>-</u>	<u>-</u>	<u>1,546,294</u>
Capital assets, being depreciated:				
Building and improvements	5,377,048	-	-	5,377,048
Furniture, fixtures, and machinery	296,032	17,286	-	313,318
Infrastructure	1,116,057	-	-	1,116,057
Vehicles	<u>33,854</u>	<u>-</u>	<u>-</u>	<u>33,854</u>
Total capital assets being depreciated	<u>6,822,991</u>	<u>17,286</u>	<u>-</u>	<u>6,840,277</u>
Less accumulated depreciation	<u>(5,689,523)</u>	<u>(167,853)</u>	<u>-</u>	<u>(5,857,376)</u>
Total capital assets being depreciated, net	<u>1,133,468</u>	<u>(150,567)</u>	<u>-</u>	<u>982,901</u>
Total capital assets, net	<u>\$ 2,679,762</u>	<u>\$ (150,567)</u>	<u>\$ -</u>	<u>\$ 2,529,195</u>

Depreciation expense was \$167,853 for the year ended September 30, 2020.

(5) COMPENSATED ABSENCES

A summary of compensated absences is as follows:

	<u>Balance</u> <u>09/30/19</u>	<u>Net Increase</u> <u>(Decrease)</u>	<u>Balance</u> <u>09/30/20</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	<u>\$ 49,180</u>	<u>\$ (866)</u>	<u>\$ 48,314</u>	<u>\$ 24,207</u>

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(6) PENSION PLAN

Plan Description

The Authority has adopted "Parochial Employees' Retirement System of Louisiana Plan A" (the System), a public cost-sharing multiple employer defined benefit pension plan conforming with Chapter 5 Title 11 of the Louisiana Revised Statutes of 1950 (R.S. 11:1901) operated by the Parochial Employees' Retirement System Board of Trustees. Act 584 of 2006 implemented a new plan on benefits for employees hired January 1, 2007 and thereafter. The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Any member of Plan A can retire providing he/she meets one of the following criteria: (1) for employees hired prior to January 1, 2007: (a) any age with 30 or more years of creditable service; (b) age 55 with 25 years of creditable service; (c) age 60 with a minimum of 10 years of creditable service; or (d) age 65 with a minimum of seven years of creditable service; and (2) for employees hired after January 1, 2007: (a) age 55 with 30 years of service; (b) age 62 with 10 years of service; or (c) age 67 with seven years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service.

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

The System issues an annual financial report to all participating employers. The financial report can be obtained by writing to: The Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, LA 70898-4619.

The Authority does not guarantee the benefits granted by the System.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(6) PENSION PLAN (CONTINUED)

Funding Policy

Members of the System are required by state statute to contribute 9.50% of their annual covered salary for the year ended September 30, 2020, and the Authority is required to contribute at an actuarially determined rate of 12.25% of annual covered payroll for the year ended September 30, 2020. The contribution requirements of plan members and the Authority are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Contributions

According to state statute, for the System, contribution requirements for all employees are actuarially determined each year. State statute requires covered employees to contribute a percentage of their salaries to the System. For the year ending September 30, 2020, the actual employer contribution rate and the actuarially determined employer contribution rate is listed below. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

The Authority's covered employees' contributions to the System for the years ending September 30, 2020 were \$29,700. The Authority's contributions to the System consisted of 12.25% of participating employee earnings for the year ended September 30, 2020. The Authority's covered employer's contributions to the System for the year ending September 30, 2020 were \$38,298, equal to the required contribution.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the Authority reported a liability totaling \$1,532 for its proportionate share of the net pension liability for the System. The net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the Authority's proportion was 0.03254% for the System, which was an increase of 0.00863% from its proportion measured as of December 31, 2018.

For the year ended September 30, 2020, the Authority recognized pension expense for the System totaling \$24,191. Added to pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$6,652 for the System.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(6) PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended September 30, 2020, the Authority recognized revenue from ad valorem taxes and revenue sharing funds received by the System. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities totaling \$2,633.

At September 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the System:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 13,713
Change in assumptions	21,394	-
Net difference between projected and actual earnings on pension plan investments	-	57,420
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	7,834
Employer contributions subsequent to the measurement date	<u>30,434</u>	<u>-</u>
Total	<u>\$ 51,828</u>	<u>\$ 78,967</u>

Employer contributions subsequent to the measurement date totaling \$30,434 and reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:

2021	\$ (15,184)
2022	(16,239)
2023	(37)
2024	<u>(25,855)</u>
Total	<u>\$ (57,315)</u>

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(6) PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation for the System was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	December 31, 2019
Actuarial Cost Method:	Plan A - Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	4.75% (2.35% Merit, 2.40% Inflation)
Mortality Rates	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Expected Remaining Service Lives	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Mortality Rate

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(6) PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

Long-term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35.0%	1.05%
Equity	52.0%	3.41%
Alternatives	11.0%	0.61%
Real assets	<u>2.0%</u>	<u>0.11%</u>
Totals	<u>100.0%</u>	<u>5.18%</u>
Inflation		2.00%
Expected arithmetic nominal return		7.18%

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(6) PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability using the discount rate of 6.50%, as well as what the Authority's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Authority's proportionate share of the net pension liability	\$ 165,560	\$ 1,532	\$ (135,921)

Retirement System Audit Report

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

(7) CARES ACT FUNDING

During the year ended September 30, 2020, the Authority was awarded supplemental funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Authority was awarded \$7,008 of Supplemental Public Housing Operating funding which was expended during the year ended September 30, 2020. The Authority was awarded \$26,553 of Supplemental Mainstream Program funding which was not spent during fiscal year end September 30, 2020 and is recorded as unearned revenue in the financial statements. The Authority was awarded \$1,334,186 of Supplemental Housing Choice Voucher funding for the year ended September 30, 2020, of which \$434,824 was expended and the remaining \$899,362 is recorded as unearned revenue in the financial statements.

(8) PAYMENT IN LIEU OF PROPERTY TAXES

In accordance with a cooperative agreement with the Parish of Jefferson, the Authority is not required to pay property taxes. Instead, the Authority is required to make payments in lieu of property taxes if and when funds may become available. No payments in lieu of property taxes were required or have been made for the year ended September 30, 2020.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(9) COMMITMENTS AND CONTINGENCIES

Administrative Contract

The Authority has entered an administrative contract with the Nan McKay & Associates, Inc. (Nan McKay). Nan McKay furnishes all materials and services to develop and implement a plan to carry out the ongoing programs under its various HUD Section 8 programs and certain aspects of the Authority owned housing programs.

The administrative contract expires on September 30, 2021. However, if HUD elects to discontinue the programs, the Authority has the right to terminate the contract.

As compensation for the administrative services rendered, the Authority paid Nan McKay 71.5%, for the months October 1, 2019 through September 30, 2020, of the administration income from the Housing Choice Voucher program allocated to the Authority, as agreed upon in the HUD approved budget. Compensation paid under the administrative contract for the year ended September 30, 2020 is as follows:

Section 8 Housing Choice Voucher Program	\$ 2,555,889
Mainstream 5 Year Vouchers	<u>41,228</u>
Total	<u>\$ 2,597,117</u>

Intergovernmental Agreement

On April 28, 2021, the Authority entered into an Intergovernmental Agreement (IGA) with the Jefferson Parish Council. Under this agreement, Jefferson Parish Government is to provide assistance to the Authority in the form of administrative oversight and legal services. The IGA is due to expire on April 28, 2022 with an option to renew for an additional 120 days.

(10) RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority maintains commercial insurance to mitigate these risks. Settled claims have not exceeded insurance coverage in any of the past three years.

(11) CONCENTRATIONS

For the year ended September 30, 2020, the Authority received approximately 99% of its total revenue from federal sources (U.S. Department of Housing and Urban Development).

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(12) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 84, “*Fiduciary Activities*.” The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 as postponed by GASB Statement No. 95. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 87, “*Leases*.” The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 as postponed by GASB Statement No. 95. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 92, “*Omnibus 2020*.” The objective of this Statement is to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to reinsurance recoveries, derivative instruments, intra-entity transfers of assets, post-employment benefit arrangements, fair value measurements, and measurements of liabilities associated with AROs in a government acquisition. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 as postponed by GASB Statement No. 95. The Authority plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*.” The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement addresses the postponement of effective dates of certain provision in Statements and Implementation Guides that first became effective or are schedule to become effective for periods beginning after June 15, 2018. The provisions affected are Statement’s No. 83, 84, 87, 88, 89, 90, 91, 92, 93, and Implementation Guide’s No. 2017-3, 2018-1, 2019-1, 2019-2, and 2019-3. The Authority plans to adopt this Statement as applicable by the effective date.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(13) RISK AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on employees' ability to work or the tenants' ability to pay the required monthly rent. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

(14) STREAMLINED VOLUNTARY CONVERSION

The Authority has applied to HUD to undertake Streamlined Voluntary Conversion (SVC) under Section 22 of the U.S. Housing Act of 1937 and are awaiting a final decision. SVC is the process whereby a public housing agency voluntarily elects to remove their public housing units from operation and the residents are provided tenant protection vouchers similar to Housing Choice Vouchers (Section 8) to locate housing. Following SVC, the Authority intends to close out its public housing portfolio and demolish all of the public housing units in the Acre Road Housing Development. The Authority has held multiple meetings with the residents of the Acre Road Housing Development, the Board of Commissioners, and local elected officials regarding SVC. Additionally, the Authority has drafted a Conversion Plan to guide this process and has provided this plan to the residents, the Board of Commissioners, and local elected officials. This Conversion Plan was also submitted to HUD as part of the application for SVC. Currently, the Authority is still undergoing an environmental review as part of this plan, as required by HUD. The Authority has also elected to pursue relocation pursuant to its deprogramming authority under 24 C.F.R. § 972.212(b) as recommended and authorized by HUD. Relocation efforts have begun and a portion of the tenants have been issued tenant protection vouchers. A preliminary timeline and best-case scenario is to have all residents out by January of 2022 and to begin demolition by March of 2022. Following demolition of the units, the Authority will be dissolved and all assets will be transferred to Jefferson Parish to be managed by a special housing district as part of Jefferson Parish Government.

(15) COMPONENT UNIT DISCLOSURES

Cash and Cash Equivalents

The RHDC maintains deposit accounts in a national bank. At September 30, 2020, the carrying amount of RHDC's bank deposits was \$3,632. The bank balance at September 30, 2020 of \$3,632 was covered by federal depository insurance which is limited to a maximum of \$250,000.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020

(15) **COMPONENT UNIT DISCLOSURES (CONTINUED)**

Capital Assets

Details of RHDC's capital assets balances and current year activity are as follows:

	Balance 09/30/19	Additions	Disposals	Balance 09/30/20
Land	\$ 26,362	\$ -	\$ -	\$ 26,362

REQUIRED SUPPLEMENTARY INFORMATION (PART 2)

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2020*

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
<u>Parochial Employees' Retirement System of Louisiana</u>					
Authority's Proportion of the Net Pension Liability	0.032544%	0.041177%	0.042163%	0.063343%	0.055851%
Authority's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,532)	\$ 182,758	\$ (31,295)	\$ 130,456	\$ 147,016
Authority's Covered-Employee Payroll	\$ 324,663	\$ 252,436	\$ 259,676	\$ 375,660	\$ 320,227
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	-0.47%	72.40%	-12.05%	34.73%	45.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.89%	88.86%	101.98%	94.15%	92.23%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.*

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2020*

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
<u>Parochial Employees' Retirement System of Louisiana</u>					
Contractually Required Contribution	\$ 38,298	\$ 28,381	\$ 27,843	\$ 40,967	\$ 48,228
Contributions in Relation to the Contractually Required Contribution	<u>(38,298)</u>	<u>(28,381)</u>	<u>(27,843)</u>	<u>(40,967)</u>	<u>(48,228)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Authority's covered-employee payroll	\$ 312,635	\$ 246,794	\$ 238,057	\$ 323,323	\$ 360,055
Contributions as a Percentage of Covered-Employee Payroll	12.25%	11.50%	11.70%	12.67%	13.39%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.*

HOUSING AUTHORITY OF JEFFERSON PARISH
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2020

(1) PENSION PLAN SCHEDULES

Changes of Benefit Terms

There were no changes of benefit terms during any of the years presented.

Changes of Assumptions

For the year ended December 31, 2019, the Parochial Employees' Retirement System of Louisiana's investment rate of return assumption remained 6.50%. The mortality assumptions used sex distinct tables for 2019, the inflation rate remained at 2.40% annually, and the projected salary increase remained at 4.75% annually.

For the year ended December 31, 2018, the Parochial Employees' Retirement System of Louisiana's investment rate of return assumption was lowered from 6.75% to 6.50%. The mortality assumptions used sex distinct tables for 2018, the inflation rate assumption was lowered from 2.50% to 2.40% annually, and the projected salary increase was lowered from 5.25% to 4.75% annually.

For the year ended December 31, 2017, the Parochial Employees' Retirement System of Louisiana's investment rate of return assumption was lowered from 7.00% to 6.75%. The mortality assumptions used sex distinct tables for 2017. Also, the inflation rate assumption remained at 2.50% annually, and the projected salary increase remained 5.25% annually.

For the year ended December 31, 2016, the Parochial Employees' Retirement System of Louisiana's investment rate of return assumption remained 7.00%. The mortality assumptions used sex distinct tables 2016. Also, the inflation rate assumption remained at 2.50% annually, and the projected salary increase was lowered from 5.50% to 5.25% annually.

For the year ended December 31, 2015, the Parochial Employees' Retirement System of Louisiana's investment rate of return assumption was lowered from 7.25% to 7.00%. The mortality assumptions used sex distinct tables for 2015 rather than the uni-sex tables used in 2014. Also, the inflation rate assumption was lowered from 3.00% to 2.50% annually, and the projected salary increase was lowered from 5.75% to 5.50% annually.

OTHER SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF JEFFERSON PARISH
 JEFFERSON PARISH, LOUISIANA
 HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA BY SUB-FUND
 SEPTEMBER 30, 2020

Line Item #	Account Description	Housing Vouchers	Housing Vouchers CARES	Jefferson Place	Section 901 Funds	Katrina DHAP	Mainstream 5 Year	Mainstream 5 Year CARES	Ike DHAP	LA Disaster Recovery CDBG	PIH Family Self-Sufficiency Program	Eliminations	Total	Component Unit Residential Housing Development Corporation
ASSETS:														
Current assets:														
Cash:														
111	Cash - unrestricted	\$ 153,134	\$ -	\$ 19,639	\$ 434,667	\$ -	\$ 96,771	\$ -	\$ -	\$ 23,789	\$ -	\$ -	\$ 728,000	\$ 3,632
113	Cash - other restricted	1,934,334	899,362	-	-	101,223	-	26,553	78,002	-	-	-	3,039,474	-
115	Cash - restricted for payment of current liability	64,268	-	-	-	-	-	-	-	-	-	-	64,268	-
100	Total cash	2,151,736	899,362	19,639	434,667	101,223	96,771	26,553	78,002	23,789	-	-	3,831,742	3,632
Accounts and notes receivable:														
121	Accounts receivable- PHA projects	42,036	-	-	-	-	-	-	-	-	-	-	42,036	-
125	Accounts receivable- miscellaneous	321,343	-	-	-	-	16,358	-	-	-	-	-	337,701	-
120	Total receivables, net of allowance for doubtful accounts	363,379	-	-	-	-	16,358	-	-	-	-	-	379,737	-
Prepaid expenses and other assets:														
142	Prepaid expenses and other assets	130,584	-	-	-	-	-	-	-	-	-	-	130,584	-
144	Inter-program - due from	486,647	-	-	-	5,701	-	-	-	-	-	-	492,348	-
150	Total current assets	3,132,346	899,362	19,639	434,667	106,924	113,129	26,553	78,002	23,789	-	-	4,834,411	3,632
Noncurrent assets:														
Capital Assets:														
161	Land	-	-	-	-	-	-	-	-	-	-	-	-	26,362
162	Buildings	-	-	-	4,080,916	-	-	-	-	-	-	-	4,080,916	-
164	Furniture, equipment & machinery - administration	4,730	-	-	-	-	-	-	-	-	-	-	4,730	-
166	Accumulated depreciation	(1,767)	-	-	(4,753,785)	-	-	-	-	-	-	-	(4,753,552)	-
168	Infrastructure	-	-	-	1,116,056	-	-	-	-	-	-	-	1,116,056	-
160	Total capital assets, net of accumulated depreciation	2,963	-	-	443,187	-	-	-	-	-	-	-	446,150	26,362
180	Total noncurrent assets	2,963	-	-	443,187	-	-	-	-	-	-	-	446,150	26,362
190	Total assets	3,135,309	899,362	19,639	877,854	106,924	113,129	26,553	78,002	23,789	-	-	5,280,561	29,994
DEFERRED OUTFLOWS OF RESOURCES:														
200	Deferred outflows of resources	12,460	-	-	-	-	-	-	-	-	-	-	12,460	-
290	Total assets and deferred outflows of resources	3,147,769	899,362	19,639	877,854	106,924	113,129	26,553	78,002	23,789	-	-	5,293,021	29,994
LIABILITIES:														
Current liabilities:														
312	Accounts payable ≤ 90 days	179,387	-	-	-	-	-	-	-	-	-	-	179,387	-
322	Accrued compensated absences - current portion	3,399	-	-	-	-	-	-	-	-	-	-	3,399	-
325	Accrued interest payable	34,435	-	-	-	-	-	-	-	-	-	-	34,435	-
333	Accounts payable - other government	97,794	-	-	-	-	-	-	-	-	-	-	97,794	-
342	Unearned revenue	-	899,362	-	-	-	-	26,553	-	-	-	-	925,915	-
345	Other current liabilities	56,344	-	-	-	-	-	-	-	-	-	-	56,344	-
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Inter-program - due to	-	-	-	-	-	6,236	-	-	-	-	-	6,236	-
310	Total current liabilities	371,559	899,362	-	-	-	6,236	26,553	-	-	-	-	1,303,710	-
Noncurrent liabilities:														
353	Noncurrent liabilities - other	206,592	-	-	-	-	-	-	-	-	-	-	206,592	-
354	Accrued compensated absences - non current	6,312	-	-	-	-	-	-	-	-	-	-	6,312	-
357	Accrued pension and OPEB liabilities	403	-	-	-	-	-	-	-	-	-	-	403	-
350	Total noncurrent liabilities	213,307	-	-	-	-	-	-	-	-	-	-	213,307	-
300	Total liabilities	584,866	899,362	-	-	-	6,236	26,553	-	-	-	-	1,517,017	-
DEFERRED INFLOWS OF RESOURCES:														
400	Deferred inflows of resources	19,178	-	-	-	-	-	-	-	-	-	-	19,178	-
NET POSITION:														
508.4	Net investment in capital assets	2,963	-	-	443,187	-	-	-	-	-	-	-	446,150	26,362
511.4	Restricted net position	88,250	-	-	-	106,924	-	-	78,002	-	-	-	273,176	-
512.4	Unrestricted net position	2,452,512	-	19,639	434,667	-	106,893	-	-	23,789	-	-	3,037,500	3,632
513	Total net position	2,543,725	-	19,639	877,854	106,924	106,893	-	78,002	23,789	-	-	3,756,826	29,994
600	Total liabilities, deferred inflows of resources and net position	\$ 3,147,769	\$ 899,362	\$ 19,639	\$ 877,854	\$ 106,924	\$ 113,129	\$ 26,553	\$ 78,002	\$ 23,789	\$ -	\$ -	\$ 5,293,021	\$ 29,994

HOUSING AUTHORITY OF JEFFERSON PARISH
 JEFFERSON PARISH, LOUISIANA
 HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY SUB-FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

Line Item #	Account Description	Housing Vouchers	Housing Vouchers CARES	Jefferson Place	Section 901 Funds	Katrina DHAP	Mainstream 5 Year	Mainstream 5 Year CARES	Ike DHAP	LA Disaster Recovery CDBG	PIH Family Self-Sufficiency Program	Eliminations	Total	Component Unit
														Residential Housing Development Corporation
REVENUE:														
70600	HUD PHA operating grants	\$ 39,294,266	\$ 434,824	\$ -	\$ -	\$ -	\$ 629,298	\$ -	\$ -	\$ -	\$ 139,740	\$ -	\$ 40,498,128	\$ -
71100	Investment income - unrestricted	706	-	36	797	-	226	-	-	43	-	-	1,810	6
71400	Fraud recovery	20,658	-	-	-	-	-	-	-	-	-	-	20,658	-
71500	Other revenue	791,964	-	-	-	-	-	-	-	-	-	-	791,964	-
72000	Investment income - restricted	-	-	-	-	396	-	-	143	-	-	-	539	-
70000	Total revenue	40,107,596	434,824	36	797	396	629,524	-	143	43	139,740	-	41,313,099	6
EXPENSES:														
Administrative														
91100	Administrative salaries	58,035	-	-	-	-	-	-	-	-	-	-	58,035	-
91200	Auditing fees	73,410	-	-	-	-	-	-	-	-	-	-	73,410	-
91300	Management fee	2,121,065	434,824	-	-	-	41,228	-	-	-	-	-	2,597,117	-
91400	Advertising and marketing	895	-	-	-	-	-	-	-	-	-	-	895	-
91500	Employee benefit contributions - administrative	6,952	-	-	-	-	-	-	-	-	-	-	6,952	-
91600	Office expenses	48,435	-	-	-	-	-	-	-	-	-	-	48,435	-
91800	Travel	405	-	-	-	-	-	-	-	-	-	-	405	-
91900	Other	166,592	-	-	-	-	-	-	-	-	-	-	166,592	-
91000	Total operating - administrative	2,475,789	434,824	-	-	-	41,228	-	-	-	-	-	2,951,841	-
Tenant Services														
93100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	113,500	-	113,500	-
93200	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	26,240	-	26,240	-
93300	Tenant Services - other	-	-	-	-	108,872	-	-	-	-	-	-	108,872	-
93000	Total tenant services	-	-	-	-	108,872	-	-	-	-	139,740	-	248,612	-
Utilities														
92100	Water	19,174	-	-	-	-	-	-	-	-	-	-	19,174	-
92300	Electricity	17,532	-	-	-	-	-	-	-	-	-	-	17,532	-
92400	Gas	3,546	-	-	-	-	-	-	-	-	-	-	3,546	-
92500	Total utilities	40,252	-	-	-	-	-	-	-	-	-	-	40,252	-
General expenses														
96120	Liability insurance	66,453	-	-	-	-	-	-	-	-	-	-	66,453	-
96130	Workmen's compensation	5,694	-	-	-	-	-	-	-	-	-	-	5,694	-
96140	All other insurance	1,240	-	-	-	-	-	-	-	-	-	-	1,240	-
96100	Total insurance premiums	73,387	-	-	-	-	-	-	-	-	-	-	73,387	-
96200	Other general expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
96210	Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-	-
96000	Total other general expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total operating expenses	2,589,428	434,824	-	-	108,872	41,228	-	-	-	139,740	-	3,314,092	-
97000	Excess revenue over operating expenses	37,518,168	-	36	797	(108,476)	588,296	-	143	43	-	-	37,999,007	6
97300	Housing assistance payments	36,300,487	-	-	-	-	592,974	-	-	-	-	-	36,893,461	-
97350	HAP Portability-in	662,330	-	-	-	-	-	-	-	-	-	-	662,330	-
97400	Depreciation expense	884	-	-	57,208	-	-	-	-	-	-	-	58,092	-
90000	Total expenses	39,553,129	434,824	-	57,208	108,872	634,202	-	-	-	139,740	-	40,927,975	-
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ 554,467	\$ -	\$ 36	\$ (56,411)	\$ (108,476)	\$ (4,678)	\$ -	\$ 143	\$ 43	\$ -	\$ -	\$ 385,124	\$ 6
MEMO ACCOUNT INFORMATION:														
11030	Beginning equity	\$ 1,989,258	\$ -	\$ 19,603	\$ 934,265	\$ 215,400	\$ 111,571	\$ -	\$ 77,859	\$ 23,746	\$ -	\$ -	\$ 3,371,702	\$ 29,988
11170	Administrative fee equity	2,455,475	-	-	-	-	-	-	-	-	-	-	2,455,475	-
11180	Housing assistance payments equity	88,250	-	-	-	-	-	-	-	-	-	-	88,250	-
11190	Unit months available	56,820	-	-	-	-	1,200	-	-	-	-	-	58,020	-
11210	Unit months leased	53,243	-	-	-	-	978	-	-	-	-	-	54,221	-

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - BALANCE SHEET DATA BY PROJECT
SEPTEMBER 30, 2020

		LA013000013				
Line Item #	Account Description	Conventional Program	CARES	Total CFP	Eliminations	Total
ASSETS:						
Current assets:						
Cash:						
111	Cash - unrestricted	\$ 1,244,647	\$ -	\$ -	\$ -	\$ 1,244,647
112	Cash - restricted - modernization & development	176,378	-	-	-	176,378
113	Cash - other restricted	3,000	-	-	-	3,000
114	Cash - tenant security deposits	20,201	-	-	-	20,201
100	Total cash	<u>1,444,226</u>	-	-	-	<u>1,444,226</u>
Accounts and notes receivables:						
122	Accounts receivable - HUD other projects	160,501	-	-	-	160,501
126	Accounts receivable - tenants	41,827	-	-	-	41,827
126.1	Allowance for doubtful accounts - tenants	(39,593)	-	-	-	(39,593)
120	Total receivables, net of allowance for doubtful accounts	<u>162,735</u>	-	-	-	<u>162,735</u>
142	Prepaid expenses and other assets	<u>183,867</u>	-	-	-	<u>183,867</u>
150	Total current assets	<u>1,790,828</u>	-	-	-	<u>1,790,828</u>
Noncurrent assets:						
Capital assets:						
161	Land	1,546,294	-	-	-	1,546,294
162	Buildings	1,211,595	-	-	-	1,211,595
163	Furniture, equipment and machinery - dwellings	258,314	-	-	-	258,314
164	Furniture, equipment and machinery - administration	84,129	-	-	-	84,129
165	Leasehold improvements	84,538	-	-	-	84,538
166	Accumulated depreciation	(1,101,825)	-	-	-	(1,101,825)
160	Total capital assets, net of accumulated depreciation	<u>2,083,045</u>	-	-	-	<u>2,083,045</u>
180	Total noncurrent assets	<u>2,083,045</u>	-	-	-	<u>2,083,045</u>
190	Total assets	<u>3,873,873</u>	-	-	-	<u>3,873,873</u>
DEFERRED OUTFLOWS OF RESOURCES:						
200	Deferred outflows of resources	<u>39,368</u>	-	-	-	<u>39,368</u>
290	Total assets and deferred outflows of resources	<u>3,913,241</u>	-	-	-	<u>3,913,241</u>
LIABILITIES:						
Current liabilities						
312	Accounts payable ≤ 90 days	8,781	-	-	-	8,781
321	Accrued wage/payroll taxes payable	17,293	-	-	-	17,293
322	Accrued compensated absences - current portion	20,808	-	-	-	20,808
341	Tenant security deposits	18,676	-	-	-	18,676
342	Unearned revenue	3,453	-	-	-	3,453
345	Other current liabilities	7,033	-	-	-	7,033
346	Accrued liabilities - other	5,795	-	-	-	5,795
347	Inter-program - due to	486,112	-	-	-	486,112
310	Total current liabilities	<u>567,951</u>	-	-	-	<u>567,951</u>
Noncurrent liabilities:						
354	Accrued compensated absences - non-current	17,795	-	-	-	17,795
357	Accrued pension and OPEB liabilities	1,129	-	-	-	1,129
350	Total noncurrent liabilities	<u>18,924</u>	-	-	-	<u>18,924</u>
300	Total liabilities	<u>586,875</u>	-	-	-	<u>586,875</u>
DEFERRED INFLOWS OF RESOURCES:						
400	Deferred inflows of resources	<u>59,789</u>	-	-	-	<u>59,789</u>
NET POSITION:						
508.4	Net investment in capital assets	2,083,045	-	-	-	2,083,045
512.4	Unrestricted net position	<u>1,183,532</u>	-	-	-	<u>1,183,532</u>
513	Total net position	<u>3,266,577</u>	-	-	-	<u>3,266,577</u>
600	Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,913,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,913,241</u>

See Independent Auditors' Report

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY PROJECT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Line Item #	Account Description	LA013000013				
		Conventional Program	CARES	Total CFP	Eliminations	Total
REVENUE:						
70300	Net tenant rental revenue	\$ 466,600	\$ -	\$ -	\$ -	\$ 466,600
70600	HUD PHA operating grants	418,623	7,008	448,955	-	874,586
70610	Capital grants	-	-	10,800	-	10,800
71100	Investment income - unrestricted	2,367	-	-	-	2,367
71500	Other revenue	2,633	-	-	-	2,633
70000	Total revenue	890,223	7,008	459,755	-	1,356,986
EXPENSES:						
Administrative:						
91100	Administrative salaries	238,881	-	18,866	-	257,747
91200	Auditing fees	73,410	-	-	-	73,410
91400	Advertising and marketing	411	-	-	-	411
91500	Employee benefit contributions - administrative	87,269	-	8,085	-	95,354
91600	Office expenses	57,149	-	-	-	57,149
91800	Travel	1,782	-	-	-	1,782
91900	Other	37,718	-	29,786	-	67,504
91000	Total operating - administrative	496,620	-	56,737	-	553,357
Tenant Services:						
92100	Tenant services - salaries	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-
92500	Total tenant services	-	-	-	-	-
Utilities:						
93100	Water	91,530	-	-	-	91,530
93200	Electricity	29,880	-	-	-	29,880
93300	Gas	67,463	-	-	-	67,463
93000	Total utilities	188,873	-	-	-	188,873
Ordinary maintenance and operations:						
94100	Ordinary maintenance and operations - labor	211,786	-	-	-	211,786
94200	Ordinary maintenance and operations - materials and other	34,212	-	43,334	-	77,546
94300	Ordinary maintenance and operations - contract costs	47,327	800	56,235	-	104,362
94500	Employee benefit contributions - ordinary maintenance	53,442	-	-	-	53,442
94000	Total maintenance and operations	346,767	800	99,569	-	447,136
Protective services:						
95200	Protective services - other contract costs	25,852	-	-	-	25,852
95000	Total protective services	25,852	-	-	-	25,852
General expenses:						
96110	Property insurance	256,954	-	-	-	256,954
96120	Liability insurance	58,816	-	-	-	58,816
96130	Workmen's compensation	4,590	-	-	-	4,590
96140	All other insurance	7,431	-	-	-	7,431
96100	Total insurance premiums	327,791	-	-	-	327,791
96200	Other general expenses	196	-	-	-	196
96210	Compensated absences	1,197	-	-	-	1,197
96400	Bad debt- tenant rents	-	-	-	-	-
96000	Total other general expenses	1,393	-	-	-	1,393
96900	Total operating expenses	1,387,296	800	156,306	-	1,544,402
97000	Excess revenue over operating expenses	(497,073)	6,208	303,449	-	(187,416)
97100	Extraordinary maintenance	86,542	-	-	-	86,542
97400	Depreciation expense	109,761	-	-	-	109,761
90000	Total expenses	1,583,599	800	156,306	-	1,740,705
OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	292,649	-	-	-	292,649
10020	Operating transfers out	-	-	(292,649)	-	(292,649)
10100	Total other financing sources (uses)	292,649	-	(292,649)	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ (400,727)	\$ 6,208	\$ 10,800	\$ -	\$ (383,719)
MEMO ACCOUNT INFORMATION:						
11030	Beginning equity	\$ 3,539,927	\$ -	\$ 110,369	\$ -	\$ 3,650,296
11040	Prior period adjustments, equity transfers, and correction of errors	116,577	(6,208)	(110,369)	-	-
11190	Unit months available	2,400	-	-	-	2,400
11210	Unit months leased	1,948	-	-	-	1,948
11270	Excess cash	910,755	-	-	-	910,755
11630	Building purchases	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	6,208	-	10,800	-	17,008

See Independent Auditors' Report

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COSTS COMPLETED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

There were no Capital Fund Programs closed-out during the year ended September 30,2020.

HOUSING AUTHORITY OF JEFFERSON PARISH
JEFFERSON PARISH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Teri Rouzan <u>Executive Director</u>
Salary	\$ 86,927
Benefits - insurance (health and dental)	2,776
Benefits - retirement	8,258
Reimbursements	<u>43</u>
Total compensation, benefits, and other payments	<u>\$ 98,004</u>

SINGLE AUDIT SECTION



**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***

To the Board of Commissioners of
Housing Authority of Jefferson Parish
Marrero, 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 business-type activities and the discretely presented component unit of the Housing Authority of Jefferson Parish (the Authority), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated October 15, 2021.

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 opinions 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-003, 2020-004, and 2020-005 that we consider to be material weaknesses.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
Housing Authority of Jefferson Parish
October 15, 2021

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-002, 2020-003, 2020-004, and 2020-005.

Housing Authority of Jefferson Parish's Response to Findings

The Authority's responses to the findings identified in our audit are 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 the financial statements and, accordingly, we express no opinion on it.

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 and is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

October 15, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants



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

To the Board of Commissioners of
Housing Authority of Jefferson Parish
Marrero, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of Jefferson Parish's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2020. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



To the Board of Commissioners of
Housing Authority of Jefferson Parish
October 15, 2021

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of Jefferson Parish 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-005. Our opinion on each major federal program is not modified with respect to this matter.

The Authority's response to the noncompliance finding identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Commissioners of
Housing Authority of Jefferson Parish
October 15, 2021

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-005, that we consider to be material weaknesses.

The Authority's response to the internal control over compliance findings identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

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 and is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal awarding agencies and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

October 15, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP

Certified Public Accountants

HOUSING AUTHORITY OF JEFFERSON PARISH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Federal Grantor/Pass-Through or Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Contract/ Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing & Urban Development			
<i>Direct Programs:</i>			
Low Rent Public Housing	14.850	LA013	\$ 418,623
COVID-19 Low Rent Public Housing	14.850	LA013	7,008
Housing Choice Voucher Cluster			
Section 8 Housing Choice Voucher	14.871	LA013	\$ 39,294,266
COVID-19 Section 8 Housing Choice Voucher	14.871	LA013	434,824
Mainstream Vouchers	14.879	LA013	<u>629,298</u>
Total Housing Choice Voucher Cluster			40,358,388
Public Housing Capital Fund Program	14.872	LA013	459,755
PIH Family Self-Sufficiency Program	14.896	LA013	<u>139,740</u>
 Total U.S. Department of Housing & Urban Development			 <u>41,383,514</u>
 Total expenditures of federal awards			 <u>\$ 41,383,514</u>

See Independent Auditors' Report

HOUSING AUTHORITY OF JEFFERSON PARISH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – SCOPE OF AUDIT PURSUANT TO *GOVERNMENT AUDITING STANDARDS AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)*

All federal grant operations of the Housing Authority of Jefferson Parish (the “Authority”) are included in the scope of the single audit. Those programs which were major grants and selected for specific testing were:

Section 8 Housing Choice Vouchers (CFDA No. 14.871)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended September 30, 2020.

NOTE 3 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule of expenditures of federal awards agree with amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Authority has met the qualifications for the respective grants.

Federal Awards

In accordance with HUD Notice PIH 98-14, “federal awards” do not include the Authority’s operating income from rents or income from investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be expended during the fiscal year. Federal awards revenues are reported in the Authority’s financial statements as follows:

Conventional Program	\$ 425,631
Housing Vouchers	40,358,388
Capital Project Funds	459,755
Family Self-Sufficiency	<u>139,740</u>
Total	<u>\$ 41,383,514</u>

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended September 30, 2020.

NOTE 5 – INDIRECT COST RATE

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION I - SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Housing Authority of Jefferson Parish.
2. Five material weaknesses were disclosed during the audit of the financial statements and are reported in the 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*.
3. Four instances of noncompliance material to the financial statements were reported in the Independent Auditor's 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*.
4. One material weakness relating to the audit of the major federal award programs is reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award program for the Housing Authority of Jefferson Parish expresses an unmodified opinion.
6. There were audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. A management letter was issued for the year ended September 30, 2020.
8. The program tested as a major program was:

CFDA Number

Section 8 Housing Choice Vouchers

14.871

9. The threshold for distinguishing Types A and B programs was \$1,241,505.
10. Housing Authority of Jefferson Parish was not determined to be a low-risk auditee.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Material Weaknesses

2020-001 Lack of Appropriate Board Oversight

Criteria: An effective Board of Commissioners is actively involved and has significant influence over the Authority's internal control environment and its financial reporting. Meetings are conducted on a regular basis to address the ongoing operational issues of the Authority as they arise.

HOUSING AUTHORITY OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Condition: We noted that throughout most of fiscal year end September 30, 2020 that the Board of Commissioners has been unable to meet regularly due to several factors including lack of consensus on agenda items and the inability to have a quorum of members present at scheduled meetings. Board action on several matters had to be deferred until a later time when meetings could be scheduled. The Board began regularly meeting in June of 2020.

Cause: The Authority did not have adequate procedures in place to ensure proper oversight during times when meetings of the Board of Commissioners could not be held.

Effect: The Authority was not able to effectively comply with the laws and requirements noted in findings 2020-002, 2020-003, 2020-004, and 2020-005. Additionally, the Authority was not able to timely ensure that corrective actions as a result of HUD's Quality Assurance Division's audits were implemented.

Repeat Finding: This is a repeat finding from the immediate past audit, Finding No. 2019-001.

Recommendation: The Board of Commissioners should put policies and procedures in place to ensure that proper board oversight is conducted in a timely manner, e.g. ensuring that applicable compliance requirements are met and corrective action plans are implemented.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2020-002 Failure to Maintain Complete and Accurate Books of Accounts and Records

Criteria: The regulation at 24 CFR §982.158(a) require that the Authority must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. The records must be in the form required by HUD, including requirements governing computerized or electronic forms of record-keeping. The PHA must comply with the financial reporting requirements in 24 CFR Part 5, subpart H.

Condition: The Authority failed to maintain complete and accurate accounting records since June of 2017. The Authority lacks adequate financial controls to ensure that program funds are appropriately tracked, and financials records are properly maintained.

HOUSING AUTHORITY OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Effect: The Authority failed to maintain complete and accurate accounting records since June 2017 resulting in the Authority awarding a contract in 2019 to an experienced firm to perform accounting services needed in order to close out the financial records for fiscal year 2020.

Cause: Due to turnover in the staff accountant position and lack of appropriate board oversight, the Authority lacked continuity to ensure proper procedures were followed to maintain accounting records.

Repeat Finding: This is a repeat finding from the immediate past audit, Finding No. 2019-002.

Recommendation: The Board of Commissioners and management should put additional policies and procedures in place to ensure that their internal financial records are accurate and that any adjustments made by the fee accountant and/or the staff accountant, and as required by the independent auditor are supported and accurate.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2020-003 Non-Compliance with Louisiana Code of Governmental Ethics

Criteria: Employees and commissioners of the Authority are to receive one hour of education and training of the Code of Ethics during each year of public employment or term of office in accordance with Louisiana Revised Statutes 42:1170.

Condition: The Authority failed to comply with these requirements as there was no evidence provided that employees or commissioners received ethics training.

Cause: The Authority did not have the proper procedures in place to ensure compliance with these requirements.

Effect: The Authority is not in compliance with Louisiana Revised Statutes 42:1170.

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that the Louisiana Code of Governmental Ethics is being followed by employees and commissioners.

Repeat Finding: This is a repeat finding from the immediate past audit, Finding No. 2019-005.

HOUSING AUTHORITY OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2020-004 Non-Compliance with FSS Program Requirements

Criteria: 24 CFR 984.305(a)(1) requires the Authority to deposit the FSS account funds of all families participating in the Authority's FSS program into a single depository account. In addition, 24 CFR 984.305(a)(2)(ii) states that investment income for funds in the FSS account will be prorated and credited to each family's FSS account based on the balance in each family's FSS account. Moreover, 24 CFR 984.305(t)(2) states that FSS funds forfeited by the FSS family will be credited to the Authority's operating reserves.

Condition: The Authority's FSS program escrow bank statement cash balance is not sufficient to support the required FSS program participant escrow amount indicated in the FSS program reports. In addition, there was limited activity in the FSS program participant escrow bank statements.

Cause: The Authority does not have adequate board oversight or internal controls to ensure accounting staff deposit the accurate amount of funds in a timely manner and maintained in the FSS program participant escrow bank account.

Effect: The FSS program participants may not receive the correct amount of funds upon successful completion of the FSS program and the Authority may not have sufficient cash available for all FSS program participants. In addition, the Authority is not accurately reporting financial information to HUD.

Repeat Finding: This is a repeat finding from the immediate past audit, Finding No. 2019-006.

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that FSS program requirements are met.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

See findings 2020-005 below as an instance of noncompliance or other matters required to be reported under *Government Auditing Standards*.

HOUSING AUTHORITY OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

**SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR
FEDERAL AWARD PROGRAMS**

U.S. Department of Housing and Urban Development
CFDA No. 14.871: Section 8 Housing Choice Vouchers

Material Weakness

2020-005 Inadequate Controls over Section 8 Housing Choice Voucher Program

Criteria: The Comptroller General of the United States' "Standards for Internal Control in the Federal Government" (Guidebook GAO-14-704G) requires recipients and subrecipients of federal awards to establish effective internal control systems that will ensure accurate financial reporting and mitigate the risk of fraudulent financial reporting or misappropriation of assets.

Condition: The Authority does not have a financial management system that ensures compliance with the compliance requirements of the HCV program are being met or reporting to HUD is accurate and provides reliable information. For example:

- Tenant files were missing required documentation for compliance and control testing over the Activities Allowed or Unallowed, Allowable Costs/Costs Principles, Eligibility, Reporting, Special Test and Provisions: Reasonable Rent, Special Test and Provisions: Housing Quality Standard Inspections, and Special Test and Provisions: Housing Assistance Payment compliance requirements.
 - Of our total sample of 60 tenant files from the entire tenant population, the following missing documentation was noted:
 - 13 out of 60 tenant files were missing the lease agreement (Activities Allowed or Unallowed, Allowable Costs/Costs Principles, Eligibility, and Special Test and Provisions: Housing Assistance Payment).
 - 13 out of 60 were missing Declaration of US Citizenship form, 3 out of 60 were missing Consent to Release Information Form, and 1 out of 60 was missing Verification of Family Income form (Eligibility).
 - 16 out of 60 files were missing rent reasonable calculations (Special Test and Provisions: Reasonable Rent).
 - 2 out of 60 were missing HAP contracts and 4 out of 60 had a difference between recalculated HAP and HAP on HUD Form 50058 (Special Test and Provisions: Housing Assistance Payment).

HOUSING AUTHORITY OF JEFFERSON PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

- Of our total sample of 25 new tenant files admitted into the Housing Choice Voucher Program for the year ended September 30, 2020, the following missing documentation was noted:
 - 2 out of 25 were missing Declaration of US Citizenship form (Eligibility).
- Unaudited financial information was not submitted until December 15, 2020, which is after the required filing deadline of November 30, 2020 (Reporting: Financial Reports).
- 2 out of 25 new tenants tested for selection from the waiting list could not be tested since adequate information could not be provided (Special Test and Provisions: Selection from the Waiting List).
- Compliance and control testing over Special Test and Provisions: Rolling Forward Equity Balances compliance requirements could not be performed because the necessary information could not be provided by the Authority.

Cause: The Authority's board and senior management did not prioritize or provide sufficient resources to establish an adequate financial management system or internal control process over HCV program funds.

Effect: The Authority is not able to ensure if program compliance requirements are being followed in accordance with the Uniform Guidance.

Repeat Finding: This is a repeat finding from the immediate past audit, Finding No. 2019-008.

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that oversight over the Section 8 HCV Program is properly administered.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

HOUSING AUTHORITY OF JEFFERSON PARISH
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION I - FINDINGS - FINANCIAL STATEMENT AUDIT

2019-001 Lack of Appropriate Board Oversight

Condition: We noted that the Board of Commissioners has been unable to meet regularly due to a number of factors including lack of consensus on agenda items and the inability to have a quorum of members present at scheduled meetings. Board action on several matters had to be deferred until a later time when meetings could be scheduled.

Current Status: The Authority is still experiencing trouble with getting its board to meet regularly and oversee the Authority. This finding is repeated as a finding in the audit report for the year ended September 30, 2020 as finding number 2020-001.

2019-002 Failure to Maintain Complete and Accurate books of Accounts and Records

Condition: The Authority failed to maintain complete and accurate accounting records since June of 2017. The Authority lacks adequate financial controls to ensure that program funds are appropriately tracked, and financials records are properly maintained.

Current Status: The Authority is still experiencing trouble with getting its accounting records together. This finding is repeated as a finding in the audit report for the year ended September 30, 2020 as finding number 2020-002.

2019-003 Non-Compliance with Louisiana's Financial Reporting Laws

Condition: The Authority failed to comply with Louisiana Revised Statutes 24:513 and 24:514 which requires the Authority to provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its year end, submitting the required report approximately one and a half years after the required deadline.

Current Status: The Authority is on a valid extension with applicable Louisiana Revised Statutes. This finding has been resolved for the year ended September 30, 2020.

2019-004 Non-Compliance with HUD Budget Requirements

Condition: The Authority failed to comply with the requirements of Section 10 of Notice PIH 2018-23 "Public Housing Operating Subsidy Eligibility Calculations for Calendar Year 2020." Which requires the Authority to provide a Board Resolution approving the operating budget for fiscal year September 30, 2020 to the HUD Office of Public Housing in New Orleans prior to the beginning of the Authority's fiscal year, submitting the required board resolution approximately three months after the beginning of its fiscal year.

Current Status: The Authority adopted its budget for the year ended September 30, 2021 timely in accordance with HUD's filing deadlines. This finding has been resolved for the year ended September 30, 2020.

HOUSING AUTHORITY OF JEFFERSON PARISH
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

2019-005 Non-Compliance with Louisiana Code of Governmental Ethics

Condition: The Authority failed to comply with Louisiana Revised Statutes 42:1170 requiring employees and commissioners of the Authority to receive one hour of education and training of the Code of Ethics during each year of public employment or term of office.

Current Status: The Authority is still not in compliance with applicable Louisiana Revised Statutes. This finding is repeated as a finding in the audit report for the year ended September 30, 2020 as finding number 2020-003.

2019-006 Non-Compliance with FSS Program Requirements

Condition: The Authority's FSS program escrow bank statement cash balance is not sufficient to support the required FSS program participant escrow amount indicated in the FSS program reports as required by 24 CFR 984.305. In addition, there was limited activity in the FSS program participant escrow bank statements.

Current Status: The Authority is still not in compliance with 24 CFR 984.305. This finding is repeated as a finding in the audit report for the year ended September 30, 2020 as finding number 2020-004.

2019-007 Proper Segregation of Duties over Cash Receipts

Condition: The Authority currently has the same employee collecting rent payments, preparing the daily/weekly deposit slip, and making the deposit at the bank.

Current Status: The Authority has properly segregated of duties over cash receipts. This finding has been resolved for the year ended September 30, 2020.

SECTION II – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

2019-008 Inadequate Controls over Section 8 Housing Choice Voucher Program

Condition: The Authority does not have a financial management system that ensures HCV program funds are spent appropriately or reporting to HUD is accurate and provides reliable information. In addition, the Authority does not maintain adequate oversight or control of the contractors responsible for program management.²

Current Status: The Authority still does not have a financial management system that ensures HCV program funds are spent appropriately and reporting to HUD is accurate and provides reliable information. In addition, the Authority still does not maintain adequate oversight or control of the contractors responsible for program management. This finding is repeated as a finding in the audit report for the year ended September 30, 2020 as finding number 2020-005.

HOUSING AUTHORITY OF JEFFERSON PARISH
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION III – MANAGEMENT LETTER

2019-009 Bank Reconciliations

Condition: During our testing, we noted instances of old outstanding checks and bank reconciliation not agreeing to the trial balance.

Current Status: This management letter item has not been resolved and is repeated as management letter item 2020-006 for the year ended September 30, 2020.

2019-010 Minutes Documentation

Condition: During our review of the minutes of the meetings of the Board of Commissioners we noted the documentation of the discussions held at the meeting were erratic and sometimes not accurate.

Current Status: This management letter item has been resolved for the year ended September 30, 2020.



HOUSING AUTHORITY OF JEFFERSON PARISH

HOUSING AUTHORITY OF JEFFERSON PARISH MANAGEMENT'S CORRECTIVE ACTION PLAN - FINDINGS SEPTEMBER 30, 2020

October 15, 2021

Louisiana Legislative Auditor

Housing Authority of Jefferson Parish (the Authority) respectfully submits the following corrective action plan for the year ended September 30, 2020.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: October 1, 2019 – September 30, 2020

The findings from the September 30, 2020 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Material Weaknesses

2020-001 Lack of Appropriate Board Oversight

Recommendation: The Board of Commissioners should put policies and procedures in place to ensure that proper board oversight is conducted in a timely manner, e.g. ensuring that applicable compliance requirements are met and corrective action plans are implemented.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to draft and implement policies and procedures to ensure that the proper board oversight is conducted in a timely manner.

2020-002 Failure to Maintain Complete and Accurate Books of Accounts and Records

Recommendation: The Board of Commissioners and management should put additional policies and procedures in place to ensure that their internal financial records are accurate and that any adjustments made by the fee accountant and/or the staff accountant, and as required by the independent auditor are supported and accurate.

HOUSING AUTHORITY OF JEFFERSON PARISH
MANAGEMENT'S CORRECTIVE ACTION PLAN - FINDINGS (CONTINUED)
SEPTEMBER 30, 2020

Response: The Executive Director will work with the Board of Commissioners and legal counsel to draft and implement additional policies and procedures over financial and accounting processes in order to ensure compliance with Uniform Guidance's internal control standards. Additionally, the Authority will consider hiring a full-time fee accountant to assist in financial reporting.

2020-003 Non-Compliance with Louisiana Code of Governmental Ethics

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that the Louisiana Code of Governmental Ethics is being followed by employees and commissioners.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to draft and implement additional policies and processes in order to ensure compliance with the State of Louisiana's Code of Governmental Ethics. These policies will include identifying a staff member who will be responsible for monitoring and tracking compliance.

2020-004 Non-Compliance with FSS Program Requirements

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that FSS program requirements are met.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to draft and implement additional policies and processes in order to ensure compliance with the requirements of the FSS program. Management of the FSS program has been contracted out to Nan McKay as of September 2020.

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

U.S. Department of Housing and Urban Development
CFDA No. 14.871: Section 8 Housing Choice Vouchers

Material Weakness

2020-005 Inadequate Controls over Section 8 Housing Choice Voucher Program

Recommendation: The Board of Commissioners and management should put policies and procedures in place to ensure that oversight over the Section 8 HCV Program is properly administered.

HOUSING AUTHORITY OF JEFFERSON PARISH
MANAGEMENT'S CORRECTIVE ACTION PLAN - FINDINGS (CONTINUED)
SEPTEMBER 30, 2020

Response: Beginning in October 2018, Nan McKay began managing the Housing Choice Voucher Program. It is the Authority's belief that Nan McKay is properly managing the program. However, the Executive Director will develop additional policies and procedures to ensure that the contractor is properly monitored to ensure compliance with all program requirements, such as the following:

- Nan McKay will submit monthly summary reports that provide a snapshot of program status.
- The HCVP Director will provide weekly status updates to the Executive Director.
- The Executive Director will conduct bi-weekly visits to the HCVP office to meet with Nan McKay staff and monitor operations.
- The Executive Director will work closely with the HCVP Director to ensure that SEMAP submission and other deadlines are met.

If there are any questions regarding this plan, please contact Teri Rouzan, Interim Executive Director, at (504) 347-4381.

Sincerely,


Teri Rouzan
Interim Executive Director



MANAGEMENT LETTER

To the Board of Commissioners and Management of
Housing Authority of Jefferson Parish
Marrero, Louisiana

In planning and performing our audit of the financial statements of the Housing Authority of Jefferson Parish (the Authority) as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing auditing 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.

However, during our audit, we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. This letter summarizes our comment and suggestions concerning this matter. This letter does not affect our report dated October 15, 2021, on the financial statements of the Housing Authority of Jefferson Parish.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestions with various Authority personnel, and we will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Our comment is summarized as follows:

2020-006 Bank Reconciliations

During our testing, we noted instances of old outstanding checks and bank reconciliation amounts not agreeing to the trial balance. We also noted that bank reconciliations are not approved by either the Executive Director or a member of the board. We recommend that the Authority enhance controls over bank reconciliations by having the Treasurer or another member of the board approve bank reconciliations on a monthly basis.

This communication is intended solely for the information and use of management, the Board of Commissioners and others within the Housing Authority of Jefferson Parish and is not intended to be and should not be used by anyone other than these specified parties.

October 15, 2021
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants



HOUSING AUTHORITY OF JEFFERSON PARISH

HOUSING AUTHORITY OF JEFFERSON PARISH MANAGEMENT'S CORRECTIVE ACTION PLAN – MANAGEMENT LETTER ITEMS SEPTEMBER 30, 2020

October 15, 2021

Louisiana Legislative Auditor

Housing Authority of Jefferson Parish respectfully submits the following corrective action plan for the year ended September 30, 2020.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: October 1, 2019 – September 30, 2020

The comments from the September 30, 2020 management letter are discussed below. The comments are numbered consistently with the number assigned in the letter.

SECTION III MANAGEMENT LETTER ITEMS

2020-006 Bank Reconciliations

Recommendation: We recommend that the Authority enhance controls over bank reconciliations by having the Treasurer or another member of the board approve bank reconciliations on a monthly basis.

Response: The Executive Director will work with the Board of Commissioners and legal counsel to amend the Authority's by-laws to develop a procedure to provide for a Board Treasurer or another member of the Board to review and approve bank reconciliations.

The Board of Commissioners and management of the Authority are committed to ensuring that our operations fully comply with the letter and spirit of the applicable standards for operation of a public housing authority. We hope that our responses and actions demonstrate this commitment, but should you have any questions or require additional information, please do not hesitate to contact Teri Rouzan, Interim Executive Director, at (504) 347-4381.

Sincerely,


Teri Rouzan
Interim Executive Director