

**THE HOUSING AUTHORITY OF  
EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the Housing Authority of East Baton Rouge Parish (the Authority), as of and for the year ended September 30, 2020, except for the discretely presented component units for whom the financial statements are as of and for the year ended December 31, 2019 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 did not audit the following discretely presented component units. These statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the following discretely presented component units, is based solely on the reports of the other auditors.

- Brookstown Place Partnership, ALPIC
- Cedar Pointe Subdivision, L.P.
- Wesley Chapel Development, L.P.
- EBRPHA Development I, L.P.
- EBRPHA Development II, L.P.
- EBRPHA Development IV, L.P.
- River South Development, L.P.

The above listed financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as issued by the Financial Accounting Standards Board and were audited by other auditors, whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the above listed entities, which conform those financial statements to accounting principles generally accepted in the United States of America as issued by the Governmental Accounting Standards Board. Our opinion, insofar as it relates to the amounts included in the above listed entities prior to these conversion adjustments, is based solely on the reports of the other auditors.

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of September 30, 2020, except for the discretely presented component units noted above for whom the financial statements are as of and for the year ended December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 11 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 accompanying combining schedule of discretely presented component units, financial data schedule, and schedule of capital funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining schedule of discretely presented component units, financial data schedule, and the 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, based on our audit, the procedures performed as described above and the reports of other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of compensation, benefits and other payments to the Chief Financial Officer has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
March 12, 2021

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2020**

The Housing Authority of East Baton Rouge Parish's (the Authority) Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements. This MD&A covers only the Authority's Enterprise Fund and does not analyze the financial position or current year's activity of the discretely presented Component Units. Separate audit reports have been issued on the financial statements of the Component Units. The audited financial statements of the Component Units have been included in the financial statements of the Authority.

**FINANCIAL HIGHLIGHTS**

- The Authority's net position decreased \$.7 million in 2020. Net Position was \$33.1 million and \$33.9 million for 2020 and 2019, respectively.
- Revenues increased \$3.5 million during 2020, and were \$42.1 million and \$38.6 million for 2020 and 2019, respectively.
- The total expenses of all Authority programs increased \$3.2 million. Total expenses were \$42.9 million and \$39.6 million for 2020 and 2019, respectively

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2020**

**USING THIS ANNUAL REPORT**

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)," the "Basic Financial Statements," and "Other Required Supplementary Information."

**MD&A**

~ Management's Discussion and Analysis ~

**Basic Financial Statements**

~ Authority-Wide Financial Statements ~  
~ Notes to Financial Statements ~

**Other Required Supplementary Information**

~ Required Supplementary Information ~  
(Other than the MD&A)

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2020**

**Authority-Wide Financial Statements**

**Statement of Net Position**

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The statement is presented in the format in which assets and deferred outflows of resources, equal liabilities, deferred inflows of resources and "Net Position", formerly known as net assets. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Noncurrent."

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, 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: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets," or "Restricted Net Position."

**Statement of Revenues, Expenses, and Changes in Net Position**

The Authority-wide financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position (similar to an Income Statement). This Statement includes operating revenues such as rental income and operating grants; operating expenses such as administrative, utilities, maintenance, and depreciation; and nonoperating revenues and expenses such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

**Statement of Cash Flows**

Finally, a Statement of Cash Flows is included, which discloses net cash provided by or used for operating activities, noncapital financing activities, investing activities and from capital and related financing activities.



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED SEPTEMBER 30, 2020**

**Authority-Wide Main Programs**

Significant Programs - The focus of the Authority's Financial Statements should be on the significant programs of the Authority. The following are considered significant programs of the Authority.

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties. In fiscal year 2020, the Conventional Public Housing Program received additional funding from HUD related to CAREs Act Funding.

Housing Choice Vouchers Program - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. In fiscal year 2020, the Housing Choice Vouchers Program received additional funding from HUD related to CAREs Act Funding.

Other Less Significant Programs - In addition to the significant programs above, the Authority also maintains the following less significant programs:

- Central Office Cost Center
- Revitalization of Severely Distressed Public Housing
- Resident Opportunity and Supportive Services Program
- Section 8 Moderate Rehabilitation Program
- Disaster Housing Assistance Program
- Disaster Housing Assistance - Ike Program
- Disaster Voucher Program
- Choice Neighborhood Implementation Grants

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED SEPTEMBER 30, 2020**

**AUTHORITY-WIDE STATEMENTS**

The following table reflects the condensed Statement of Net Position compared to the prior year.

**TABLE 1**

**CONDENSED STATEMENT OF NET POSITION**

	2020	2019	\$ Variance	% Variance
<b>Assets and Deferred Outflows of Resources:</b>				
Current Assets	\$ 14,490,480	\$ 14,302,376	\$ 188,104	1.32%
Restricted Assets	987,921	160,896	827,025	514.01%
Capital Assets, Net	17,951,044	19,595,132	(1,644,088)	-8.39%
Other Noncurrent Assets	3,409,570	3,409,570	-	0.00%
<b>Total Assets</b>	<b>\$ 36,839,015</b>	<b>\$ 37,467,974</b>	<b>\$ (628,959)</b>	<b>-1.68%</b>
<b>Liabilities:</b>				
Current Liabilities	\$ 1,594,403	\$ 1,259,372	\$ 335,031	26.60%
Noncurrent Liabilities	2,107,920	2,341,439	(233,519)	-9.97%
<b>Total Liabilities</b>	<b>3,702,323</b>	<b>3,600,811</b>	<b>101,512</b>	<b>2.82%</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	15,773,193	17,234,553	(1,461,360)	-8.48%
Restricted Net Position	9,269	-	9,269	100.00%
Unrestricted Net Position	17,354,230	16,632,610	721,620	4.34%
<b>Total Net Position</b>	<b>33,136,692</b>	<b>33,867,163</b>	<b>(730,471)</b>	<b>-2.16%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 36,839,015</b>	<b>\$ 37,467,974</b>	<b>\$ (628,959)</b>	<b>-1.68%</b>

**Major Factors Affecting the Statement of Net Position**

During 2020, total assets decreased \$628,960 resulting primarily from the net of the decrease in capital assets due to current year depreciation expense of \$1.8 million and the increase in restricted cash due to the Authority being advanced \$1.1 million from HUD to the HCV program for CAREs Act funding. Only \$.28 million of those monies were expended during the fiscal year, which resulted in unearned revenue and restricted cash of around \$.82 million. Additionally, current assets increased due to an increase in funding from the Authority to Partners for Progress (a discrete component unit) during the fiscal year. Total liabilities increased \$101,512 due to the increase in unearned revenue mentioned above net with a decrease in due to HUD and normal payoffs of long-term debt. See the Statement of Cash Flows for additional detail regarding inflows and outflows of cash. See Table 4 on page 10 for a summary of the changes in capital assets.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED SEPTEMBER 30, 2020**

The following Schedule compares the revenues and expenses for the current and previous fiscal years.

**TABLE 2**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	2020	2019	\$ Variance	% Variance
<b>REVENUES</b>				
Tenant Rental Revenue	\$ 2,167,300	\$ 2,382,523	\$ (215,223)	-9.03%
Operating Grants	37,842,858	32,835,840	5,007,018	15.25%
Capital Contributions	296,541	223,757	72,784	32.53%
Investment Income	21,968	19,193	2,775	14.46%
Other Revenue	1,315,369	3,151,301	(1,835,932)	-58.26%
Recognition of Prior Restricted Funds	497,802	-	497,802	100.00%
Total Revenues	<u>42,141,838</u>	<u>38,612,614</u>	<u>3,529,224</u>	<u>9.14%</u>
<b>EXPENSES</b>				
Administrative Expenses	4,078,295	3,561,817	516,478	14.50%
Tenant Services	370,992	210,008	160,984	76.66%
Utilities	1,018,197	1,051,236	(33,039)	-3.14%
Maintenance and Operations	2,313,237	2,079,094	234,143	11.26%
Protective Services	76,839	58,389	18,450	31.60%
Insurance	1,013,515	898,589	114,926	12.79%
General Expenses	538,558	177,734	360,824	203.01%
Interest Expense	161,726	174,616	(12,890)	-7.38%
Housing Assistance Payments	31,340,372	29,932,317	1,408,055	4.70%
Extraordinary Maintenance	40,262	45,880	(5,618)	-12.24%
Bad Debt	98,744	148,366	(49,622)	100.00%
Depreciation	1,821,572	1,302,792	518,780	39.82%
Total Expenses	<u>42,872,309</u>	<u>39,640,838</u>	<u>3,231,471</u>	<u>8.15%</u>
<b>DECREASE IN NET POSITION</b>	<u>\$ (730,471)</u>	<u>\$ (1,028,224)</u>	<u>\$ 297,753</u>	<u>-28.96%</u>

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**REVENUES**

Overall revenues increased during 2020 in comparison to 2019 by \$3.53 million. Operating grants increased \$5.0 million due primarily to an increase in current year funding under the Section 8 Housing Choice Voucher program resulting from increased vouchers as well as additional CAREs Act funding received due to COVID-19 for both HCVP and Public Housing in the amount of \$728,549. Additionally, the Authority received \$311,122 for its' new program, Choice Neighborhood Implementation (CNI) in fiscal year 2020. Tenant rental revenue decreased as a result of increase in vacancies and longer turnaround time of lease-ups. Other revenue decreased due to the Authority's management of the City of Plaquemine and City of Baton Rouge, LA's Section 8 Voucher Programs ending in fiscal year 2020. Recognition of prior restricted funds is related to funds received by the Authority in previous years for disaster programs. These funds are no longer deemed to be held for restricted use and therefore were recognized as revenue during the current year.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED SEPTEMBER 30, 2020**

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)**

**EXPENSES**

Housing Assistance Payments increased \$1.4 million. This was caused by an increase in housing choice vouchers and amount of HAP per voucher during the year. Depreciation increased due to change in estimate during the current year. Administrative and tenant service expenses increased mostly due to increase in employees in fiscal year 2020 to run the new CNI program as well as COVID-19 related expenses. Additionally, general expenses increased due to the DHAP program using funds for pre-development costs. Insurance increased due to an increase in property and flood insurance as a result of hurricane season.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of fiscal year-end, the Authority had \$17.95 million invested in a variety of capital assets as reflected in the following schedule:

TABLE 3

**CAPITAL ASSETS AT YEAR END  
(NET OF DEPRECIATION)**

	2020	2019	\$ Variance	% Variance
Land	\$ 5,784,670	\$ 5,784,670	\$ -	0.00%
Buildings and Improvements	45,849,696	45,849,696	-	0.00%
Furniture and Equipment	509,398	461,724	47,674	10.33%
Construction in Progress	863,620	749,808	113,812	15.18%
Less: Accumulated Depreciation	(35,056,340)	(33,250,766)	(1,805,574)	5.43%
Net Capital Assets	<u>\$ 17,951,044</u>	<u>\$ 19,595,132</u>	<u>\$ (1,644,088)</u>	<u>-8.39%</u>

The following reconciliation summarizes the change in Capital Assets:

TABLE 4

**CHANGES IN CAPITAL ASSETS**

Beginning Balance - October 1, 2019	\$ 19,595,132
Additions and Transfers:	
Furniture and Equipment	63,672
Construction in Process	113,812
Disposals	(15,998)
Depreciation Expense	(1,821,572)
Disposals - Accumulated Depreciation	15,998
Ending Balance - September 30, 2020	<u>\$ 17,951,044</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED SEPTEMBER 30, 2020**

**Debt**

As of fiscal year-end, the Authority had \$1.98 million in long-term debt outstanding compared to \$2.2 million last year.

**TABLE 5  
OUTSTANDING DEBT, AT YEAR-END**

	Balance as of September 30, 2020	Balance as of September 30, 2019
Mortgages and Notes Payable	\$ 2,177,851	\$ 2,360,579
Less: Current Portion	(195,481)	(182,120)
Long-Term Debt	\$ 1,982,370	\$ 2,178,459

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on supplies and other costs

**COVID-19**

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. Consequently, federal, state and local authorities have issued various mandates resulting in an overall decline in economic activity which could result in material adverse effects to the Authority's financial position, results of operations, and cash flows. In March 2020, President Trump signed the CARES act, which in part provided additional funding for public housing to pay for increased costs and additional funding to the housing choice voucher program for administrative fees and increased leasing cost impacted by the outbreak. The Authority cannot reasonably estimate the length or severity of this outbreak and the related financial impact.

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Melonie Bayham, Chief Operating Officer of The Housing Authority of East Baton Rouge Parish at 4731 North Boulevard, Baton Rouge, Louisiana 70806.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

<b>ASSETS</b>	Enterprise Fund	Discretely Presented	
		Partners-for- Progress, Incorporated	Partnerships December 31, 2019 Year-End
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 12,900,602	\$ 201,609	\$ 1,047,221
Tenants Accounts Receivable, Net	74,050	-	45,571
Accounts Receivable - Copper Oaks, LLC, Net of Allowance	-	131,334	-
Accounts Receivable - Other, Net of Allowance	498,248	138,595	-
Due From Related Parties	364,166	-	-
Prepaid Costs	526,737	2,010	144,459
Inventory, Net (Allowance \$8,410)	126,677	-	-
Assets Held for Sale	-	9,250	-
Notes Receivable - Current Portion	-	135,067	-
Total Current Assets	14,490,480	617,865	1,237,251
<b>RESTRICTED ASSETS</b>			
Cash and Cash Equivalents - Tenant Security Deposits	158,898	-	122,311
Cash and Cash Equivalents - Other Restricted	829,023	-	2,421,124
Total Restricted Assets	987,921	-	2,543,435
<b>CAPITAL ASSETS</b>			
Land	5,784,670	-	803,683
Buildings and Improvements	45,849,696	-	58,868,503
Furniture and Equipment	509,398	15,418	3,725,184
Construction in Progress	863,620	-	-
	53,007,384	15,418	63,397,370
Less: Accumulated Depreciation	(35,056,340)	(15,418)	(14,181,225)
Net Capital Assets	17,951,044	-	49,216,145
<b>OTHER ASSETS</b>			
Notes Receivable	3,409,570	980,200	-
Other Noncurrent Assets	-	-	4,784
Total Other Assets	3,409,570	980,200	4,784
Total Assets	\$ 36,839,015	\$ 1,598,065	\$ 53,001,615

See accompanying Notes to Financial Statements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

	Enterprise Fund	Discretely Presented	
		Partners-for- Progress, Incorporated	Partnerships December 31, 2019 Year-End
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 77,025	\$ 4,590	\$ 74,393
Due to Primary Government	-	364,166	-
Accrued Wages and Payroll Taxes	231,194	7,408	-
Accrued Compensated Absences	92,340	3,506	-
Accrued Interest Payable	-	-	59,838
Tenant Security Deposits	162,328	-	122,311
Unearned Revenue	819,754	-	20,380
Other Current Liabilities	16,281	-	199,468
Current Portion of Debt	195,481	131,334	139,583
Total Current Liabilities	<u>1,594,403</u>	<u>511,004</u>	<u>615,973</u>
<b>LONG-TERM LIABILITIES</b>			
Long-Term Debt, Net of Current	1,982,370	1,000,200	21,146,710
Accrued Compensated Absences, Net of Current	125,550	-	-
Noncurrent Liabilities - Other	-	-	53,943
Total Long Term Liabilities	<u>2,107,920</u>	<u>1,000,200</u>	<u>21,200,653</u>
Total Liabilities	3,702,323	1,511,204	21,816,626
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,773,193	-	27,929,852
Restricted Net Position	9,269	-	2,421,124
Unrestricted Net Position	17,354,230	86,861	834,013
Total Net Position	<u>33,136,692</u>	<u>86,861</u>	<u>31,184,989</u>
Total Liabilities and Net Position	<u>\$ 36,839,015</u>	<u>\$ 1,598,065</u>	<u>\$ 53,001,615</u>

See accompanying Notes to Financial Statements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2020**

	Enterprise Fund	Discretely Presented	
		Partners-for- Progress, Incorporated	Partnerships December 31, 2019 Year-End
<b>OPERATING REVENUES</b>			
Dwelling Rent	\$ 2,167,300	\$ -	\$ 3,212,334
Operating Grants	37,842,858	-	-
Other Revenue	1,315,369	185,213	1,394,846
Recognition of Prior Restricted Funds	497,802	-	-
<b>Total Operating Revenues</b>	<b>41,823,329</b>	<b>185,213</b>	<b>4,607,180</b>
<b>OPERATING EXPENSES</b>			
Administrative	4,078,295	271,695	516,343
Tenant Services	370,992	30,000	-
Utilities	1,018,197	1,190	102,413
Maintenance and Operations	2,313,237	5,540	863,903
Protective Services	76,839	-	899
Insurance	1,013,515	7,722	281,867
General Expense	538,558	18,978	322,711
Housing Assistance Payments	31,340,372	-	-
Extraordinary Maintenance	40,262	-	-
Bad Debt	98,744	81,050	13,360
Depreciation	1,821,572	-	1,920,016
<b>Total Operating Expenses</b>	<b>42,710,583</b>	<b>416,175</b>	<b>4,021,512</b>
<b>OPERATING (LOSS) INCOME</b>	<b>(887,254)</b>	<b>(230,962)</b>	<b>585,668</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income	21,968	-	10,331
Interest Expense	(161,726)	-	(940,949)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(139,758)</b>	<b>-</b>	<b>(930,618)</b>
<b>DECREASE BEFORE CAPITAL CONTRIBUTIONS</b>	<b>(1,027,012)</b>	<b>(230,962)</b>	<b>(344,950)</b>
Capital Contributions - from HUD	296,541	-	-
<b>DECREASE IN NET POSITION</b>	<b>(730,471)</b>	<b>(230,962)</b>	<b>(344,950)</b>
Net Position - Beginning of Year	33,867,163	317,823	31,529,939
<b>NET POSITION - END OF YEAR</b>	<b>\$ 33,136,692</b>	<b>\$ 86,861</b>	<b>\$ 31,184,989</b>

See accompanying Notes to Financial Statements.



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2020**

	<u>Enterprise Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Dwelling Rent	\$ 2,874,293
Cash Received from Operating Grants	37,877,606
Other Income Receipts	1,816,761
Cash Payments for Salaries and Benefits	(3,925,867)
Cash Payments to Vendors	(5,535,490)
Cash Payments to Landlords	(31,838,174)
Net Cash Provided by Operating Activities	<u>1,269,129</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Grants Received	296,541
Repayment of Capital Debt Principal	(182,728)
Interest Paid on Capital Debt	(161,726)
Purchase of Capital Assets	(177,484)
Net Cash Used by Capital and Related Financing Activities	<u>(225,397)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Income Received	21,968
Receipts from Component Unit	(307,143)
Net Cash Used by Investing Activities	<u>(285,175)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	758,557
Cash and Cash Equivalents - Beginning of Year	<u>13,129,966</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 13,888,523</u></u>
<b>RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Loss from Operations	\$ (887,254)
Adjustments to Reconcile Net Operating Loss to Net Cash and Cash Equivalents:	
Depreciation Expense	1,821,572
Bad Debt	98,744
(Increase) Decrease in Assets:	
Accounts Receivable - HUD Other Projects	34,748
Accounts Receivable - Other Government	17,697
Accounts Receivable - Miscellaneous	9,680
Accounts Receivable - Tenants	(135,427)
Prepaid Expenses	(67,094)
Inventory	92,223
Increase (Decrease) in Liabilities:	
Accounts Payable	(20,064)
Accrued Wages/Payroll Taxes Payable	17,483
Accrued Compensated Absences	(34,010)
Accounts Payable - HUD PHA Programs	(497,802)
Tenant Security Deposits	(1,121)
Unearned Revenue	819,754
Net Cash Provided by Operating Activities	<u><u>\$ 1,269,129</u></u>

See accompanying Notes to Financial Statements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1 REPORTING ENTITY DEFINITION**

The Housing Authority of East Baton Rouge Parish (the Authority) is a governmental agency that provides low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other federal agencies.

The Authority is governed by a Board of Commissioners, which is composed of seven members. The applicable jurisdictions appoint the Board of Commissioners. However, the Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria of Governmental Accounting Standards. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following component units:

**Partners for Progress, Incorporated (the Corporation)**

The Corporation is a related nonprofit Louisiana corporation, which was created as an instrumentality of the Authority for the purpose of developing low, and low-moderate income housing opportunities within the East Baton Rouge Parish community. The Corporation has entered into a management agreement with the Authority, for the Authority to provide administrative and management services to the Corporation. Because the Corporation maintains a substantively different governing board than the Authority, and the benefits derived from the services of the Corporation extend beyond the Authority, the Corporation is considered to be a discrete component unit. The activity from the Corporation is reported separately in the financial statements and accompanying schedules in the Partners for Progress, Incorporated column. The Corporation's fiscal year-end is September 30. A copy of the financial statements of Partners for Progress, Inc. for the year ended September 30, 2020 may be obtained by writing to The Housing Authority of the East Baton Rouge Parish, 4731 North Boulevard, Baton Rouge, Louisiana 70806.

The Corporation created various entities to serve as instrumentalities of the Corporation to facilitate low-income housing developments. The financial activity of these entities is consolidated into the Corporation's financial statements and is reported in the financial statements and accompanying schedules in the Partner for Progress, Incorporated column.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)**

**Partners for Progress, Incorporated (the Corporation) (Continued)**

The Corporation is the sole member of the following entities with December 31, 2019 year-ends:

- Partners for Progress Development Company, LLC
- Cedar Pointe Development, LLC
- Wesley Chapel Development, LLC
- Hospital Plaza I, LLC
- Colonial Courts I, LLC
- Roosevelt Terrace, LLC
- River South, LLC

**Brookstown Place Partnership, ALPIC**

Partners for Progress Development Company, LLC is the managing general partner of Brookstown Place Partnership, a Louisiana Partnership in Commendam. Partners for Progress Development Company, LLC holds 0.01% interest in Brookstown Place Partnership and contributed \$50 at formation for this interest. Partners for Progress Development Company, LLC will receive 0.01% of income, 5.00% of the distribution of cash flow, and 5.00% from the sale or refinancing of partnership assets. Due to the Authority's interest and participation in the partnership (through Partners for Progress Development Company, LLC), Authority management considers Brookstown Place Partnership to be a discrete component unit.

**Cedar Pointe Subdivision, LP**

Cedar Pointe Development, LLC is the managing general partner of Cedar Pointe Subdivision Limited Partnership, a Louisiana Partnership in Commendam. Cedar Pointe Development, LLC holds 0.01% interest in Cedar Pointe Subdivision Limited Partnership. Cedar Pointe Development, LLC will receive 0.01% of income, 5.00% of the distribution of cash flow, and 5.00% from the sale or refinancing of partnership assets. Due to the Authority's interest and participation in the partnership (through Cedar Pointe, LLC), Authority management considers Cedar Pointe Subdivision, LP to be a discrete component unit.

**Wesley Chapel Development, LP**

Wesley Chapel Development, LLC is the managing general partner of Wesley Chapel Development, LP. Due to the Authority's interest and participation in the partnership (through Wesley Chapel Development, LLC), Authority management considers the partnership to be a discrete component unit.

**EBRPHA Development 1, LP**

Hospital Plaza I, LLC is the managing general partner of EBRPHA Development 1, LP. Due to the Authority's interest and participation in the partnership (through Hospital Plaza I, LLC), Authority management considers the partnership to be a discrete component unit.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 1 REPORTING ENTITY DEFINITION (CONTINUED)**

**EBRPHA Development 2, LP**

Colonial Courts I, LLC is the managing general partner of EBRPHA Development 2, LP. Due to the Authority's interest and participation in the partnership (through Colonial Courts I, LLC), Authority management considers the partnership to be a discrete component unit.

**EBRPHA Development 4, LP**

Roosevelt Terrace, LLC is the managing general partner of EBRPHA Development 4, LP. Due to the Authority's interest and participation in the partnership (through Roosevelt Terrace, LLC), Authority management considers the partnership to be a discrete component unit.

**River South Development, LP**

River South, LLC is the managing general partner of River South Development, L.P. Due to the Authority's interest and participation in the partnership (through River South, LLC), Authority management considers the partnership to be a discrete component unit.

Brookstown Place Partnership; Cedar Pointe Subdivision Limited Partnership; Wesley Chapel Development, LP; EBRPHA Development 1, LP; EBRPHA Development 2, LP; EBRPHA Development 4, LP, and River South Development, LP have December 31 year-ends. Financial activity for these discrete component units, for the year ended December 31, 2019, is reported separately in the financial statements and accompanying schedules in the 'Partnerships' column. The financial information for each of these discrete component units can be found in the combining schedule of discretely presented entities as part of the supplementary information at the end of the report. A copy of the financial statements of each of these discrete component units for the year ended December 31, 2019 may be obtained by writing to The Housing Authority of the East Baton Rouge Parish, 4731 North Boulevard, Baton Rouge, Louisiana 70806.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Accounting**

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

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

The Authority has applied all applicable GASB pronouncements as well as pronouncements.

**Cash and Cash Equivalents**

The Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

**Accounts Receivable**

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other current and noncurrent accounts receivable consist of amounts due from affiliates for operating advances, and fees and HAP advances due from other housing authorities. Management uses the allowance method for amounts not deemed collectible.

**Prepaid Items and Inventory**

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

**Assets Held for Sale**

Assets Held for Sale consists of land and infrastructure expected to be sold within one year and is valued at the lesser of cost or fair value.

**Capital Assets**

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

Buildings	20 Years
Improvements	10 Years
Furniture and Equipment	5 Years

We note that five of the public housing buildings are fully depreciated up to their aggregate salvage values of \$3,743,125. Authority management has assessed the carrying values of capital asset balances for impairment. No significant capital asset value impairments exist as of September 30, 2020.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Intangible Assets**

Intangible assets with finite useful lives will be amortized over their estimated useful life. Amortizable Fees consist primarily of tax credit application fees. Expenses relating to tax credit application fees are capitalized and amortized on a straight-line basis over the term of the tax credit compliance period.

**Accrued Compensated Absences**

It is the Authority's policy to grant full time permanent employees vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Sick leave also accrues to full time employees to specified maximums. The employees are entitled to vacation leave balances at termination. Leave accrued but not yet paid as of September 30, 2020, is reported as a liability allocated between current and noncurrent.

**Unearned Revenue**

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue. As of September 30, 2020, there was no unearned revenue recorded.

**Operating and Nonoperating Revenues and Expenses**

The Authority recognizes operating revenues and expenses as a result of providing low rent housing and other services. The principal operating revenues of the Authority consist of tenant rental charges, operating subsidies and fees received from the federal government and other grantor organizations, and other revenue received from ancillary operations such as maintenance charges to tenants, laundry operations and similar operations. Operating expenses include the costs of operating the Authority owned housing complexes, housing assistance payments to landlords, administrative expenses, and costs associated with providing program services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**Indirect Costs Recovery**

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center and charges the programs management fees based on fee rates provided by the Department of HUD.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives of capital assets, doubtful collection allowances against notes and accounts receivable, allocable shares of developer fees receivable and inventory valuations. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

**NOTE 3 CASH DEPOSITS**

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

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

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

The Authority's cash and cash equivalents consist of cash held in interest and noninterest-bearing checking accounts and investment sweep accounts with varying interest rates up to 0.1%. Deposits with financial institutions are secured as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Invested in U.S. Treasury Obligations	205,417	205,417
Collateralized with Specific Securities in the Authority Name which are Held by the Financial Institution	13,433,106	13,678,809
Total	<u>\$ 13,888,523</u>	<u>\$ 14,134,226</u>

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

**Partners for Progress, Incorporated**

The Corporation's cash and cash equivalents consist of cash held in an interest bearing checking account, totaling \$201,609. As of September 30, 2020, the Corporation's bank balances were fully secured by the Federal Deposit Insurance Corporation (FDIC).

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 3 CASH DEPOSITS (CONTINUED)**

**Partnerships**

As of December 31, 2019, the Partnerships had various checking, escrow and other deposits at various financial institutions. Accounts at these financial institutions were insured by the FDIC up to \$250,000 per financial institution. As of December 31, 2019, the Partnerships had \$1,956,182 of deposits in excess of federally insured limits. Wesley Chapel Development, LP had uninsured deposits of \$389,110, River South Development, LP had uninsured deposits of \$361,680, EBRPHA Development 1, LP had uninsured deposits of \$394,960, EBRPHA Development 2, LP had uninsured deposits of \$120,975, EBRPHA Development 4, LP had uninsured deposits of \$28,696, and Cedar Pointe Subdivision, LP had uninsured deposits of \$660,761.

**NOTE 4 RESTRICTED CASH**

**Primary Government**

The Authority's restricted cash consisted of \$158,898 in tenant security deposits, \$9,269 restricted for HAP and \$819,754 of restricted funds to be used for COVID-19 expenditures as of September 30, 2020.

**Partnerships**

The Partnerships' restricted cash consisted of the following as of December 31, 2019:

Replacement Reserve	\$ 812,775
Operating Deficit Reserve	882,805
Real Estate, Tax, and Insurance Escrow	149,064
Guarantor Reserve	410,448
Debt Service Reserve	97,190
ACC Reserve	68,842
Tenant Security Deposits	122,311
Total Restricted Cash	<u>\$ 2,543,435</u>

**NOTE 5 ACCOUNTS RECEIVABLE - OTHER**

As of September 30, 2020, the Authority was due the following balances:

Accounts Receivable - HUD Other Projects	\$ 136,934
Accounts Receivable - Other Government	37,211
Accounts Receivable - Pre-Development Costs	338,103
Total Accounts Receivable	<u>512,248</u>
Allowance for Doubtful Accounts - Other	<u>(14,000)</u>
Total Allowance for Doubtful Accounts	<u>(14,000)</u>
Net Accounts Receivable	<u>\$ 498,248</u>



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 5 ACCOUNTS RECEIVABLE – OTHER (CONTINUED)**

**Partners for Progress, Incorporated**

As of September 30, 2020, the Corporation was due the following balances:

Accounts Receivable - Sale of Homes	\$	14,209	
Accounts Receivable - Costs		95,542	
Accounts Receivable - Sale of Land		117,125	
Less: Allowance for Doubtful Accounts		(95,542)	
Total Accounts Receivable, Copper Oak, LLC	\$	<u>131,334</u>	
Accounts Receivable - River Lofts	\$	109,475	
Accounts Receivable - Other		29,120	
Total Accounts Receivable - Other	\$	<u>138,595</u>	

**NOTE 6 NOTES AND DEVELOPER FEES RECEIVABLE**

**Between the Authority and the Partnerships**

As of September 30, 2020, the Authority had the following outstanding notes, developer fees, and interest receivable balances due from the Partnerships:

Description

Due from EBRPHA Development 1, LP			
Promissory Note due to EBRPHA Dated January 2012, Matures January 2052, 2.00% Interest	\$	1,325,570	
Promissory Note due to EBRPHA (Second) Dated January 2012, Matures January 2052, 2.00% Interest		<u>209,000</u>	<u>\$ 1,534,570</u>
Due from EBRPHA Development 2, LP			
Promissory Note due to EBRPHA Dated January 2012, Matures January 2052, 2.00% Interest		1,266,000	
Promissory Note Due to EBRPHA (Second) Dated January 2012, Matures January 2052, 2.00% Interest		<u>209,000</u>	<u>1,475,000</u>
Due from EBRPHA Development 4, LP			
Promissory Note due to EBRPHA Dated September 2014, Matures September 2034, 2.94%		<u>400,000</u>	400,000
Total Notes Receivable			<u>\$ 3,409,570</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 6 NOTES AND DEVELOPER FEES RECEIVABLE (CONTINUED)**

**Between the Authority and the Partnerships (Continued)**

These notes were loaned to the respective Partnerships to assist in the development of two low-income townhouse communities and the rehabilitation of an apartment complex, and are secured with second mortgages against each Partnership's leasehold interest in the properties. The deferred developer fees were earned by providing managerial and administrative assistance during the construction of the three developments. During the fiscal year, the Authority did not receive developer fees from the Partnerships. As of September 30, 2020, the Authority's share of the outstanding balances of the developer fee receivables due from the applicable partnerships amounted to \$202,330. Due to uncertainties regarding collectability, Authority management has elected to reserve the entire amount of the deferred developer fees receivable, and to recognize income as funds are received.

**Between the Partnerships and Partners for Progress, Incorporated**

Through the Corporation's wholly owned subsidiary entities (Partners for Progress Development Corporation, LLC; Cedar Pointe Development, LLC; Wesley Chapel Development, LLC; Hospital Plaza I, LLC; Colonial Courts I, LLC; and Roosevelt Terrace, LLC) the Corporation has earned developer fees from each of the Partnerships for overseeing the construction and development of four apartment complexes and two townhouse communities. During the fiscal year, the Corporation did not receive developer fees from the Partnerships. As of September 30, 2020, the Corporation's estimated share of the outstanding balances of the developer fee receivables due from the applicable partnerships amounted to \$711,190. Due to uncertainties regarding collectability, Corporation management has elected to reserve the entire amount of the receivables, and to recognize income as funds are received.

See Note 7 for a breakout of developer fees due from the Partnerships to the Authority and Partners for Progress, Inc.

During fiscal year 2014, the Corporation funded a \$500,000 loan to Wesley Chapel Development, LP under a loan agreement dated in September of 2011, to assist with the construction of the Wesley Chapel Apartments complex. The note is secured with a subordinate mortgage on the property and does not bear interest. The loan is payable from the available income and cash flow of the borrower, as stipulated in the Loan Agreement and matures in July of 2044. The outstanding balance of the note was \$500,000 as of September 30, 2020.

During fiscal year 2015, the Corporation funded a \$480,200 loan to EBRPHA Development 4, LP to assist with the rehabilitation of the Roosevelt Terrace Apartments complex. The nonrecourse note is secured with a subordinate mortgage on the property which has been subsequently assigned to Capital One National Association to secure a related loan issued from the Corporation to Capital One National Association. The loan bears interest at a rate of .25% per annum and is payable from the available income and cash flow of the borrower, as stipulated in the Loan Agreement. The loan matures in September of 2055 and outstanding balance was \$480,200 as of September 30, 2020.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 6 NOTES AND DEVELOPER FEES RECEIVABLE (CONTINUED)**

**Between the Partnerships and Partners for Progress, Incorporated (Continued)**

Additionally, Copper Oaks Partners, LLC owes Partners for Progress, Incorporated \$135,067 as of September 30, 2020 related to construction costs advanced to the entity for development of Copper Oaks subdivision. This balance is expected to be paid during fiscal year 2020. See Note 7 for more details of the transaction.

**NOTE 7 CAPITAL ASSETS**

**Primary Government**

A summary of the Authority's capital asset balances and activity, as of and for the year ended September 30, 2020 are as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Nondepreciable Capital Assets</b>					
Land	\$ 5,784,670	\$ -	\$ -	\$ -	\$ 5,784,670
Construction in Progress	749,808	113,812	-	-	863,620
Total Nondepreciable Capital Assets	6,534,478	113,812	-	-	6,648,290
<b>Depreciable Capital Assets</b>					
Buildings and Improvements	45,849,696	-	-	-	45,849,696
Furniture and Equipment	461,724	63,672	(15,998)	-	509,398
Total Depreciable Capital Assets	46,311,420	63,672	(15,998)	-	46,359,094
<b>Less: Accumulated Depreciation</b>					
Buildings and Improvements	(32,785,155)	(1,451,544)	-	-	(34,236,699)
Furniture and Equipment	(465,611)	(370,028)	15,998	-	(819,641)
Total Accumulated Depreciation	(33,250,766)	(1,821,572)	15,998	-	(35,056,340)
<b>Total Capital Assets</b>					
Being Depreciated, Net	13,060,654	(1,757,900)	-	-	11,302,754
Capital Assets, Net	\$ 19,595,132	\$ (1,644,088)	\$ -	\$ -	\$ 17,951,044

**Partners for Progress, Incorporated**

A summary of the Corporation's capital asset balances and activity, as of and for the year ended September 30, 2020 are as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Depreciable Capital Assets</b>					
Furniture and Equipment	\$ 15,418	\$ -	\$ -	\$ -	\$ 15,418
Total Capital Assets	15,418	-	-	-	15,418
<b>Less: Accumulated Depreciation</b>					
Furniture and Equipment	(15,418)	-	-	-	(15,418)
<b>Total Capital Assets</b>					
Being Depreciated, Net	-	-	-	-	-
Capital Assets, Net	\$ -	\$ -	\$ -	\$ -	\$ -

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

**Partnerships**

A summary of the Partnerships' capital asset activity, for the year ended December 31, 2019 are as follows:

	January 1 2019	Additions	Deletions	Transfers	December 31 2019
<b>Nondepreciable Capital Assets</b>					
Land	\$ 803,683	\$ -	\$ -	\$ -	\$ 803,683
Total Nondepreciable Capital Assets	803,683	-	-	-	803,683
<b>Depreciable Capital Assets</b>					
Buildings and Improvements	58,868,503	-	-	-	58,868,503
Furniture and Equipment	3,725,184	-	-	-	3,725,184
Total Capital Assets	62,593,687	-	-	-	62,593,687
Less: Accumulated Depreciation	(12,261,209)	(1,920,016)	-	-	(14,181,225)
Total Capital Assets Being Depreciated, Net	50,332,478	(1,920,016)	-	-	48,412,462
Capital Assets, Net	\$ 51,136,161	\$ (1,920,016)	\$ -	\$ -	\$ 49,216,145

**NOTE 8 NOTES PAYABLE**

In February of 2012, the Authority obtained a loan from Capital One Public Funding, LLC for \$3,461,000. The loan was issued to finance subsequent loans to EBRPHA Development 1, LP and EBRPHA Development 2, LP to assist in the development of two low-income townhouse communities. Principal and interest payments are paid out of the Authority's Capital Fund Program. The loan bears interest at a rate of 7.1% and matures in March of 2029. The Authority has pledged a first priority security interest to Capital One Public Finance, LLC in the Capital Fund Program grant funds to secure the loan. Interest expense incurred on the loan during the fiscal year was \$161,726. The outstanding balance as of September 30, 2020 was \$2,177,851.

Future projected payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2021	\$ 195,481	\$ 148,967	\$ 344,448
2022	209,819	134,629	344,448
2023	225,213	119,235	344,448
2024	241,732	102,716	344,448
2025	259,465	84,983	344,448
2026-2029	1,046,141	150,694	1,196,835
Total	<u>\$ 2,177,851</u>	<u>\$ 741,224</u>	<u>\$ 2,919,075</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

Long-term liability activity for the year ended September 30, 2020, applicable to the Authority, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
CFFP Debt	\$ 2,360,579	\$ -	\$ (182,728)	\$ 2,177,851	\$ 195,481
Accrued Compensated Absences	251,900	-	(34,010)	217,890	92,340
Long-Term Liabilities	<u>\$ 2,612,479</u>	<u>\$ -</u>	<u>\$ (216,738)</u>	<u>\$ 2,395,741</u>	<u>\$ 287,821</u>

**Partners for Progress, Incorporated**

The Corporation entered into a loan agreement, effective July 1, 2010, with the City of Baton Rouge in the amount of \$1,475,000 to fund infrastructure costs of a housing development known as Copper Oaks Subdivision, on land the Corporation purchased in Baton Rouge. The development will consist of 40, single-family homes. Infrastructure development began during fiscal year 2012 and was significantly complete as of fiscal year-end 2014. The loan agreement stipulates that a minimum of 11 of the homes must be sold to low-moderate income families who satisfy the HOME Investment Partnership Act federal criteria. As of September 30, 2020, a cumulative total of 39 of the parcels were sold to Copper Oaks Partners, LLC (COP, LLC) for construction and sale to future home owners, 39 of which have been sold to final home owners (leaving COP, LLC with a balance of one unsold property and the Corporation with a balance of one property which has not been sold to COP, LLC as of September 30, 2020). Interest payments on the principal balance are not required as long as the Corporation administers the home-ownership program in accordance with the loan agreement. The loan is secured by the Copper Oaks property. As of September 30, 2020, the outstanding balance of the loan was \$14,209.

In November of 2011, the Corporation issued a promissory note to Greenwell Land Acquisitions, LLC (GLA, LLC) in the amount of \$370,000 to purchase land from GLA, LLC, on which the Subdivision will be developed. GLA, LLC has agreed to forgive the 6% annual interest rate upon extinguishment of the loan. Therefore, Corporation management has not accrued an interest payable balance. The note matured on December 31, 2014 but has not been paid or refinanced as of the date of these financial statements. The outstanding principal balance on the note as of September 30, 2020 was \$117,125.

During fiscal year 2013, the Corporation (through Wesley Chapel Development, LLC a wholly owned subsidiary entity) received funding under a loan agreement entered into in September of 2012, from the East Baton Rouge Redevelopment Authority. The loan proceeds were used to fund a loan from the Corporation to Wesley Chapel Development, LP, to partially finance the development of a multi-family residential rental project. The loan is noninterest bearing and matures in October of 2047. The note is secured by a subordinate mortgage interest in the applicable project. The outstanding principal balance on the loan as of September 30, 2020 was \$500,000.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partners for Progress, Incorporated (Continued)**

During fiscal year 2014, the Corporation issued an Affordable Housing Program promissory note to Capital One National Association in the amount of \$480,200 to fund a loan the Corporation subsequently made to EBRPHA Development 4, LP, to partially finance the rehabilitation of the Roosevelt Terrace Apartment complex. The note is mortgaged with an assigned security interest in the Roosevelt Terrace Apartments property, matures in September of 2029, and will not bear interest as long as the Affordable Housing Program loan criteria are satisfied. The outstanding principal balance on the loan as of fiscal year-end 2020 was \$500,200.

Long-term liability activity for the year ended September 30, 2020, applicable to the Corporation, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Land Acquisition Note Payable	\$ 117,125	\$ -	\$ -	\$ 117,125	\$ 117,125
HOME Investment Loan	14,209	-	-	14,209	14,209
Note Payable due to the East Baton Rouge RDA	500,000	-	-	500,000	-
AHP Loan due to Capital One, National Association	500,200	-	-	500,200	-
Long-Term Liabilities	<u>\$ 1,131,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,131,534</u>	<u>\$ 131,334</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships**

The Partnerships have incurred the following debts and respective accrued interest, as of December 31, 2019:

**Brookstown Place Partnership, ALPIC**

Permanent Mortgage Loan due to Enterprise Team, Inc., Dated February 2009, Matures March 2029, 7.03% Interest	\$ 927,487	
Accrued Interest Payable on Mortgage Loan	5,434	
Developer Fees due to Partners for Progress, Inc.	68,736	
Deferred Developer Fees due to Project Consultant	206,207	<u>\$ 1,207,864</u>

**Cedar Pointe Subdivision, LP**

Permanent Mortgage Loan due to Barings Multifamily Capital, LLC, 18-year loan term, 7.14% Interest	2,428,151	
Accrued Interest Payable on Mortgage Loan	14,448	<u>2,442,599</u>

**Wesley Chapel Development, LP**

Permanent Mortgage Loan due to Home Federal Bank, Dated July 2014, Matures August 2030, 6.84% Interest	1,594,474	
Accrued Interest Payable on Mortgage Loan	9,391	
Operating and Developer Fees Due to EBRPHA	119,237	
Nonrecourse Loan due to Partners for Progress, Inc. in the Amount of \$500,000, dated July 2014, Noninterest Bearing, Matures July 2044	500,000	
Deferred Developer Fees due to Partners for Progress, Inc.	23,523	
Deferred Developer Fees due to Project Consultant	47,759	
Tax Credit Assistance Loan due to the Louisiana Housing Corporation of \$1M, 3% Interest per Annum, Matures March 2041 (Annual Required Payments Depend on Excess LP Cash Flows)	1,000,000	
Interest Payable on Tax Credit Assistance Loan	239,499	<u>3,533,883</u>

**EBRPHA Development 1, LP**

Permanent Mortgage Loan Dated October 2013 due to Capital One, 6.75% Interest, Matures October 2043	1,189,162	
Accrued Interest Payable on Mortgage Loan	6,689	
Subordinate Mortgage Loan (CFFP Loan) due to EBRPHA Dated January 2012, Matures February 2052, 2.00% Interest Compounded Annually	1,325,570	
Accrued Interest Payable on CFFP Loan due to EBRPHA	231,567	
Subordinate Mortgage due to EBRPHA (HA Loan) Dated January 2012, Matures January 2052, 2.00% Interest Compounded Annually	209,000	
Accrued Interest Payable on HA Loan due to EBRPHA	35,811	
Affordable Housing Program (AHP) Loan due to Capital One, N.A, Dated January 2012, of \$700K, 0.25% Interest Per Annum, Matures January 2053	700,000	
Accrued Interest Payable on AHP Loan	12,250	
Subordinate Mortgage Loan Due to the East Baton Rouge Redevelopment Authority of \$500K, Dated January 2012, 0% Interest, Matures January 2042	500,000	
Deferred Developer Fees due to Partners for Progress, Inc.	12,126	
Deferred Developer Fees due to EBRPHA	36,213	
Deferred Developer Fees due to Project Sub-developer	6,529	<u>4,264,917</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

**EBRPHA Development 2, LP**

Permanent Mortgage Loan due to Capital One, Dated October 2013, 6.75% Interest, Matures October 2043	\$ 1,132,887	
Accrued Interest Payable on Mortgage Loan	6,372	
Subordinate Mortgage Loan (CFFP Loan) due to EBRPHA, Dated January 2012, Matures February 2052, 2.00% Interest	1,266,000	
Accrued Interest Payable on CFFP Loan due to EBRPHA	221,341	
Subordinate Mortgage Loan Due to EBRPHA (HA Loan) Dated January 2012, Matures January 2052, 2.00% Interest	209,000	
Accrued Interest Payable on HA Loan due to EBRPHA	35,811	
Affordable Housing Program (AHP) Loan due to Capital One, N.A, Dated January 2012 of \$700K, .25% Interest per Annum, Matures January 2053	700,000	
Accrued Interest Payable on AHP Loan	12,250	
Subordinate Mortgage Loan due to the East Baton Rouge Redevelopment Authority of \$500K, Dated January 2012, 0% Interest per Annum, Matures January 2043	500,000	
Deferred Developer Fees due to Partners for Progress, Inc.	10,181	
Deferred Developer Fees due to EBRPHA	30,424	
Deferred Developer Fees due to Project Sub-Developer	20,000	\$ 4,144,266

**EBRPHA Development 4, LP**

Subordinate Mortgage Loan (HA Loan) due to EBRPHA Dated September 2014, Matures September 2034, 2.94% Interest	400,000	
Accrued Interest Payable on Promissory Note due to EBRPHA	65,722	
AHP Loan due to Partners for Progress, Inc. Dated September 2014, Matures September 2055, .25% Interest	480,200	
Accrued Interest Payable on AHP Loan due to Partners for Progress	6,336	
Deferred Developer Fees due to Partners for Progress, Inc.	5,486	
Deferred Developer Fees due to EBRPHA	16,456	
Deferred Developer Fees due to Project Sub-Developer	124,340	1,098,540

**River South Development, LP**

Permanent Mortgage Loan due to Home Federal Bank, dated August 2017, Matures September 2036, 6.14% Interest	2,960,675	
Accrued Interest Payable on Mortgage Loan	17,504	
CDBG Loan due Louisiana Housing Corporation dated August 2017, Matures August 2057, 2.58% Interest	233,964	
Accrued Interest Payable on CDBG Loan	7,374	
PHA Loan due to EBRPHA Dated August, 2017, Matures August 2057, 2.58% Interest	794,806	
Accrued Interest Payable on PHA Loan due to EBRPHA	48,601	
Deferred Developer Fees due to Partners for Progress, Inc.	591,138	4,654,062
Total Partnerships Debt		<u>\$ 21,346,131</u>



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

Permanent mortgage loans for the Partnerships are described below:

Brookstown Place Partnership, APIC obtained permanent financing from Enterprise Team, Inc. on February 4, 2009. The loan has a twenty-year permanent mortgage with a forty-year amortization period in the original amount of \$1,000,000. This loan matures on March 1, 2029. The loan bears an annual interest rate of 7.03% with monthly interest and principal payments of \$6,236, and one balloon payment in the year 2029. The loan had an outstanding balance of \$927,487 and accrued interest of \$5,434 at December 31, 2019. The nonrecourse note is collateralized by buildings and land.

Cedar Pointe Subdivision, LP obtained permanent financing from Barings Multifamily Capital, LLC. The loan has an eighteen-year permanent mortgage with a thirty-five-year amortization period in the original amount of \$2,640,000. The loan bears an annual interest rate of 7.14% with monthly interest and principal payments of \$17,126, and one balloon payment in the year 2027. The loan had an outstanding balance of \$2,428,151 and accrued interest of \$14,448 at December 31, 2019. The non-recourse note is collateralized by buildings and land.

Wesley Chapel Development, LP obtained permanent financing from Home Federal Bank in July 2014 in the principal amount of \$1,700,000. The loan bears interest at 6.84% with monthly principal and interest installments of \$11,265. The loan has a term of sixteen (16) years with a thirty (30) year amortization period and a balloon payment due on the maturity date of August 1, 2030. The non-recourse loan is collateralized by a first mortgage on the Partnership's land and buildings. At December 31, 2019, the balance of this loan was \$1,594,474 and accrued interest was \$9,391.

Wesley Chapel Development, LP entered into a nonrecourse loan agreement with Louisiana Housing Corporation from the federal Tax Credit Assistance Program in the principal amount of \$1,000,000 bearing fixed interest of 3% per annum, and having a maturity date of March 1, 2041, with annual payment of principal and interest equal to 75% of surplus cash, which is defined in the TCAP Loan documents as cash (excluding tenant security deposits) remaining at the end of the year after (A) payment of all operating expenses for such fiscal year; (B) payment of all sums due to currently required to be paid under the terms of any Permanent Loan documents; (C) payment of all amounts required to be deposited into any reserve fund for the payment of operating expenses, any reserve for replacements, or any other special reserve funds required to be maintained under the Permanent Loan documents or the TCAP Loan documents; and (D) asset management fees and tax credit adjuster payment payable to the Investor Limited Partner. At December 31, 2019, the balance of the loan was \$1,000,000 and accrued interest was \$239,499.

In July 2014, during closing of the first mortgage, Partners for Progress, Inc., loaned the Wesley Chapel Development, LP \$500,000. The non-recourse loan has zero percent interest (0%) and a thirty year term. The maturity date of the loan is in July 2044. Payments of principal are deferred until there is sufficient income and cash flow to pay on the note. At December 31, 2019 the balance of the loan was \$500,000 and accrued interest was \$0.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
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**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

This amount is recorded in notes receivable on Partners for Progress' side as indicated in Note 6.

EBRPHA Development 1, LP has a permanent loan dated October 29, 2013 from Capital One in the original amount of \$1,289,000. The term of the loan is fifteen years with a thirty-year amortization. The interest rate is 6.75% with principal and interest payments of \$8,360 per month. The non-recourse loan will be collateralized by the Partnership's land and improvements (as fee simple or leasehold). At December 31, 2019, the balance of the loan was \$1,189,162 and accrued interest was \$6,689.

In January 2012, EBRPHA Development 1, LP received a subordinate mortgage loan (the "HA Loan") in the original principal amount of \$209,000 from the Authority which is evidenced by a mortgage note between the Partnership and the Authority. The term of loan is forty (40) years at an annual interest rate of two (2%), compounded annually. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The Partnership shall make payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2019, the balance of the loan was \$209,000 and accrued interest was \$35,811. This amount is recorded in notes receivable on the Authority's side as indicated in Note 6. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

In January 2012, EBRPHA Development 1, LP received a subordinate mortgage loan (the "CFFP Loan") in the original principal amount of \$1,500,570 from the Authority. The loan is for a term of forty (40) years and will be due in full and payable on or before February 1, 2052. The loan will accrue interest at two (2%), compounded annually, and is evidenced by a mortgage note between the Partnership and the Authority. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). During 2013, \$175,000 was released from the Guarantor Reserve to pay down the principal balance of the loan. The Partnership shall make payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2019, the balance of the loan was \$1,325,570 and accrued interest was \$231,567. This amount is recorded in notes receivable on the Authority's side as indicated in Note 6. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

In January 2012, EBRPHA Development 1, LP received an AHP Loan in the amount of \$700,000 from Capital One, N.A., that is sourced by the Federal Home Loan Bank Affordable Housing Program. The loan has a term of forty (40) years. The entire principal of the loan together with simple interest at the rate of one quarter of one percent (0.25%) per annum, shall be paid to the Payee on the forty-first (41st) anniversary of this note, January 31, 2053 (the "Maturity Date"). No interest shall accrue from January 31, 2012 through the date on which construction is completed for the project. This loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been Consented to by the Special Limited Partner) and which will be held by parties who are not "related parties" except with respect to the Capital One Loan to any of

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
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**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

the Partners within the meaning of Section 752 of the Code and the Regulations thereunder. The Partnership shall make annual payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2019, the balance of the loan was \$700,000 and accrued interest was \$12,250.

In January 2012, the East Baton Rouge Redevelopment Authority (RDA) provided a subordinate mortgage loan (the "RDA Loan") in the amount of \$500,000 to EBRPHA Development 1, LP. The loan has a thirty-year term and will accrue interest at zero (0.00%) percent annually. The loan is evidenced by a mortgage note between the Partnership and the Lender and is secured by the RDA Mortgage and other related security documents and financing statements. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The loan will be repaid solely from Surplus Cash, to the extent Surplus Cash is generated from the operation of the Project, in the sum of one-third (1/3) of the first \$42,000 of Surplus Cash; plus, two thirds (2/3) of any excess over the \$42,000 of Surplus Cash. At December 31, 2019, the balance of the loan was \$500,000.

EBRPHA Development 2, LP has a permanent loan dated October 29, 2013 from Capital One in the original amount of \$1,228,000. The term of the loan is fifteen years with a thirty-year amortization. The interest rate is 6.75% with principal and interest payments of \$7,965 per month. The non-recourse loan will be collateralized by the Partnership's land and improvements (as fee simple or leasehold). At December 31, 2019, the balance of the loan was \$1,132,887 and accrued interest was \$6,372.

In January 2012, EBRPHA Development 2, LP received a subordinate mortgage loan (the "HA Loan") in the original principal amount of \$209,000 from the Authority which is evidenced by a mortgage note given between the Partnership and the Authority. The term of loan is forty (40) years at an annual interest rate of two (2%), compounded annually. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The Partnership shall make payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2019, the balance of the loan was \$209,000 and accrued interest was \$35,811. This amount is recorded in notes receivable on the Authority's side as indicated in Note 6. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

In January 2012, EBRPHA Development 2, LP received a subordinate mortgage loan (the "CFFP Loan") in the original principal amount of \$1,441,000 from the Authority. The loan is for a term of forty (40) years and will be due in full and payable on or before February 1, 2052. The loan will accrue interest at two (2%), compounded annually, and is evidenced by a mortgage note between the Partnership and the Authority. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). During 2013, \$175,000 was released from the Guarantor Reserve to pay down the principal balance of the loan. The Partnership shall make payments to the Lender from available Surplus Cash as set forth in

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**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

the Partnership Agreement. At December 31, 2019, the balance of the loan was \$1,266,000 and accrued interest was \$221,341. This amount is recorded in notes receivable on the Authority's side as indicated in Note 6. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

In January 2012, EBRPHA Development 2, LP received an AHP Loan in the amount of \$700,000 from Capital One, N.A., that is sourced by the Federal Home Loan Bank Affordable Housing Program. The loan has a term of forty (40) years. The entire principal of the loan together with simple interest at the rate of one quarter of one percent (0.25%) per annum, shall be paid to the Payee on the forty-first (41st) anniversary of this note, January 31, 2053 (the "Maturity Date"). No interest shall accrue from January 31, 2012 through the date on which construction is completed for the project. This loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been Consented to by the Special Limited Partner) and which will be held by parties who are not "related parties" except with respect to the Capital One Loan to any of the Partners within the meaning of Section 752 of the Code and the Regulations thereunder. The Partnership shall make annual payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2019, the balance of the loan was \$700,000 and accrued interest was \$12,250.

In January 2012, the East Baton Rouge Redevelopment Authority (RDA) provided a subordinate mortgage loan in the amount of \$500,000 (the "RDA Loan") to EBRPHA Development 2, LP. The loan has a thirty-year term and will accrue interest at zero (0.00%) percent annually. The loan will be evidenced by a mortgage note between the Partnership and the Lender and is secured by the RDA Mortgage and other related security documents and financing statements. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The loan will be repaid solely from Surplus Cash, to the extent Surplus Cash is generated from the operation of the Project, in the sum of one-third (1/3) of the first \$42,000 of Surplus Cash; plus two thirds (2/3) of any excess over the \$42,000 of Surplus Cash. At December 31, 2019, the balance of the loan was \$500,000.

On September 17, 2014, the EBRPHA Development 4, LP received an AHP Loan in the amount of \$480,200 from Partners for Progress, Inc. ("Payee") through Capital One, N.A. ("AHP Lender") that is sourced by the Federal Home Loan Bank Affordable Housing Program. The entire principal of the loan together with simple interest at the rate of one quarter of one percent (0.25%) per annum, shall be paid to the Payee on the forty-first (41st) anniversary of this note, September 17, 2055 (the "Maturity Date"). This loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been Consented to by the Special Limited Partner) and which will be held by parties who are not "related parties" except with respect to the Capital One Loan to any of the Partners within the meaning of Section 752 of the Code and the Regulations thereunder. The Partnership shall make annual payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2019, the balance of the loan was \$480,200 and accrued interest was \$6,336. Maturities of the notes for the five years succeeding the year end cannot be determined since payments are derived from cash flows. This amount is recorded in notes receivable on Partners for Progress' side as indicated in Note 6.

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**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

On September 17, 2014, EBRPHA Development 4, LP received a subordinate mortgage loan (the "HA Loan") in the original principal amount of \$400,000 from the Authority. The loan is for a term of fifteen (15) years and will be due in full and payable on twenty years (20) from the date of advance. The loan will accrue interest at two and ninety-four hundredths percent (2.94%), compounded annually, and is evidenced by a mortgage note given by the Partnership to the Housing Authority. The loan is non-recourse to the Partnership and the Partners (other than customary non-recourse carve out-provisions which have been consented to by the Special Limited Partner). The Partnership shall make payments to the Lender from available Surplus Cash as set forth in the Partnership Agreement. At December 31, 2019, the balance of the loan was \$400,000 and accrued interest was \$65,722. This amount is recorded in notes receivable on the Authority's side as indicated in Note 6. The Authority does not record accrued interest on these notes as it does not deem the interest to be collectible.

River South Development, LP was provided permanent financing by Home Federal Bank in the amount of \$2,970,000. The loan is a 17-year recourse loan with a maturity date of September 1, 2036. The loan is collateralized by a first lien deed of trust/mortgage on land and improvements, as well as assignments and/or first security interest in rents and leases, tax credits, general construction contract, architect's contract, management contract, development agreement, social service contract, FF&E, and all accounts including escrow, reserve and operating accounts. The loan shall bear an interest rate of six-point fourteen percent (6.14%) per annum compounded annually on the unpaid principal balance. Monthly payments of principal and interest are to be made in the amount of \$17,504. As of December 31, 2019, the balance of this loan was \$2,960,675 and accrued interest was \$17,504.

On August 1, 2017, River South Development, LP received a Loan in the amount of \$233,964 from the Louisiana Housing Corporation that is sourced by the Community Development Block Grant Program. In the absence of an Event of Default, the CDBG Loan shall mature on August 21, 2057 (the "Maturity Date"). The loan is nonrecourse to the Partnership and the Partners, as long as the Partners continue to qualify the Complex as a "qualified low-income project" under Section 42(g) of the Internal Revenue Code. This loan is subordinate to the Construction Loan and Permanent Loan and senior to the Housing Authority Loan. The loan shall bear simple interest of two and fifty-eight hundredths percent (2.58%), and shall be repaid in annual installments on or before April 1 of each calendar year of the Term (the "Payment Date") equal to fifty percent (50%) of Surplus Cash. At December 31, 2019, the balance of the Loan was \$233,964 and accrued interest was \$7,374.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

On August 21, 2017, River South Development, LP received a Loan in the amount of \$794,806 from the Authority ("Lender") that is partially sourced from Replacement Housing Factor funds from the United States Department of Housing and Urban Development (HUD). All amounts outstanding hereunder shall be due in full on or before August 21, 2057 (the "Maturity Date"). This loan is non-recourse to the Partnership and the Partners, and which will be held by parties who are not "related parties". The advanced and funded unpaid principal balance of this loan shall accrue interest at the applicable federal rate per annum. As of December 31, 2019, this rate was 2.58%. The Partnership shall make annual payments to the Lender from the Borrower's Net Cash flow as set forth in the Partnership Agreement. At December 31, 2019, the balance of the loan was \$794,806 and accrued interest was \$48,601. This amount was expensed on the Authority's side in fiscal year 2017, as they did not deem this to be collectible from the Partnership.

Future debt service obligations on the Partnerships' permanent mortgage loans and other capital debt detailed above and below are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2020	\$ 139,583	\$ 495,664	\$ 635,247
2021	149,307	487,397	636,704
2022	159,710	478,538	638,248
2023	170,841	469,047	639,888
2024	182,748	458,877	641,625
2029-2057	18,249,187	2,121,807	20,370,994
Total	<u>\$ 19,051,376</u>	<u>\$ 4,511,330</u>	<u>\$ 23,562,706</u>

Long-term liability and accrued interest activity for the year ended December 31, 2019 applicable to the Partnerships, was as follows:

	January 1, 2019	Increase	Decrease	December 31, 2019	Due Within One Year
Permanent Mortgages Payable	\$ 7,371,519	\$ 2,960,675	\$ (99,358)	\$ 10,232,836	\$ 110,512
Other Capital Debt	7,064,013	81,426	(3,516,475)	3,628,964	29,071
Other Capital Debt due to The HA of EBRP	4,204,376	-	-	4,204,376	-
Other Capital Debt due to Partners for Progress, Inc.	980,200	5,000	-	985,200	-
Deferred Developer Fees Payable	404,835	-	-	404,835	-
Deferred Developer Fees Payable to The HA of EBRP	83,093	-	-	83,093	-
Deferred Developer Fees Payable to Partners for Progress, Inc.	887,460	-	(176,270)	711,190	-
Interest Payable	272,687	33,870	(224)	306,333	59,838
Interest Payable due to The HA of EBRP	510,433	153,298	-	663,731	-
Interest Payable due to Partners for Progress, Inc.	4,859	1,477	-	6,336	-
Operating Advance due to The HA of EBRP	137,587	-	(18,350)	119,237	-
Long-Term Liabilities	<u>\$ 21,921,062</u>	<u>\$ 3,235,746</u>	<u>\$ (3,810,677)</u>	<u>\$ 21,346,131</u>	<u>\$ 199,421</u>

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**NOTE 8 NOTES PAYABLE (CONTINUED)**

**Partnerships (Continued)**

A summary of each Partnerships' capital debt, accrued interest and other noncurrent liability balances as of December 31, 2019 are as follows:

	Capital Debt	Developer Fees Payable	Other Noncurrent Liabilities	December 31, 2019 Balance	Due Within One Year
Brookstown Place	\$ 927,488	\$ 274,943	\$ 5,434	\$ 1,207,865	\$ 15,382
Cedar Pointe	2,428,151	-	14,448	2,442,599	47,658
Wesley Chapel Dev.	3,094,474	71,282	368,127	3,533,883	36,346
EBRPHA Dev. 1, LP	3,923,732	54,868	286,317	4,264,917	27,378
EBRPHA Dev. 2, LP	3,807,886	60,605	275,774	4,144,265	26,082
EBRPHA Dev. 4, LP	880,200	146,282	72,058	1,098,540	-
River South Development	3,989,445	591,138	73,479	4,654,062	46,575
Total	<u>\$ 19,051,376</u>	<u>\$ 1,199,118</u>	<u>\$ 1,095,637</u>	<u>\$ 21,346,131</u>	<u>\$ 199,421</u>

**NOTE 9 DEFERRED COMPENSATION PLAN**

The Authority provides deferred compensation benefits for all of its full-time employees through the State of Louisiana Public Employees Deferred Compensation Plan, a defined contribution plan. The plan is administered by Great West Retirement Services. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after up to twelve months of continuous service. The Authority contributes approximately 10.5% of the employee's eligible compensation, while the employees are not required to contribute to the plan. During fiscal year 2020, the Authority made the required contributions in the amount of \$214,423 and the employees contributed \$46,083. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately, upon participation in the plan.

**NOTE 10 RISK MANAGEMENT**

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

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

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 11 ECONOMIC DEPENDENCY**

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

The Authority receives a substantial amount of its support from the federal government in the form of subsidies and grants. If a significant reduction in the level of this support were to occur, it may have an effect on the Authority's programs and activities.

The table below lists out the revenue the Authority received and the percentage of that revenue to total revenue.

	Year Ended September 30, 2020 <u>Total Revenue</u>	Percentage of <u>Total Revenue</u>
Revenue from HUD		
Section 8 Housing Choice Voucher Program - HAP	\$ 30,610,821	72.64 %
Section 8 Housing Choice Voucher Program - Admin	2,501,623	5.94
Section 8 Housing Choice Voucher Program - CAREs	279,997	
Public and Indian Housing	3,098,361	8.30
Public and Indian Housing - CAREs Act Funding	448,552	
Capital Fund Program	737,702	0.79
Choice Neighborhood Implementation	311,122	0.74
Resident Opportunity & Supportive Services	63,597	0.15
Section 8 Moderate Rehabilitation Single Room	87,624	0.21
Total Revenue from HUD	<u>38,139,399</u>	<u>88.77</u>
Non-HUD Funding		
Tenant Rental Revenue	2,167,300	5.43
Other Income	1,038,901	2.18
Portability-In - HAP	663,736	1.58
Portability-In - Administrative	40,318	0.10
Investment Income	21,968	0.05
Fee Revenue	70,216	0.16
Total Non-HUD Funding	<u>4,002,439</u>	<u>9.50</u>
Total Revenue	<u>\$ 42,141,838</u>	<u>98.27 %</u>



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**Primary Government**

The Authority is a defendant in a lawsuit arising from claims for wrongful termination. Management believes the resolution of these matters will not have a material impact on the Authority's operations or will result in dismissal.

**Partners for Progress, Incorporated**

The Corporation is the sole member of Wesley Chapel Development, LLC. Wesley Chapel Development, LLC is the general partner of Wesley Chapel Development, LP. In September 2011, Wesley Chapel Development, LP obtained a loan from the Louisiana Housing Finance Agency (LHFA) for \$1,000,000. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. The loan matures in March, 2041. As of December 31, 2019, the principal balance owed on the loan was \$1,000,000. Corporation management is anticipating the Partnership to report a balance of \$1,000,000 as of December 31, 2020, upon issuance of the Partnership's 2020 financial statements. The Corporation has guaranteed payment of the notes to Home Federal Bank and LHFA. In the event that the partnership defaults, the loans could become a liability of the Corporation.

The Corporation is the sole member of Colonial Courts I, LLC. Colonial Courts I, LLC is the general partner of EBRPHA Development 2, LP. In January 2012, EBRPHA Development 2, LP obtained a loan from The East Baton Rouge Redevelopment Authority (The EBRRRA) for an amount up to \$500,000. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. As of December 31, 2019, the principal balance owed on the loan was \$500,000, with payments made solely from surplus cash. The Corporation has guaranteed payment of the loan to The EBRRRA. In the event that the partnership defaults, the loans could become a liability of the Corporation.

The Corporation is the sole member of Hospital Plaza I, LLC. Hospital Plaza I, LLC is the general partner of EBRPHA Development 1, LP. In January 2012, EBRPHA Development 1, LP obtained a loan from The East Baton Rouge Redevelopment Authority (The EBRRRA) for an amount up to \$500,000. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. As of December 31, 2019, the principal balance owed on the loan was \$500,000, with payments made solely from surplus cash. The Corporation has guaranteed payment of the loan to The EBRRRA. In the event that the partnership defaults, the loans could become a liability of the Corporation.

**NOTE 13 LAND LEASE**

The Authority entered into ground lease agreements with several limited partnerships that have constructed or are in the process of constructing rental home projects. The terms of the leases vary from 55 years to 99 years with an annual rent of \$1. The units must be used for public housing and are subject to public housing requirements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**NOTE 14 DIFFERENT REPORTING STANDARDS**

The Partnerships' 2019 individual financial statements were not presented in accordance with Governmental Accounting Standards. In accordance with Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03), the Partnerships report respective debt liabilities net of certain applicable amortized debt issuance costs. The associated amortization expense is added to and included as a component of interest expense. Certain other loan closing costs have been reported as assets. In the basic financial statements, the Partnerships' financial statements have been presented in accordance with Governmental Accounting Standards. Specifically, these financial statements have been presented to conform with GASBS No. 65, *Items Previously Reported as Assets and Liabilities*, in which debt issuance costs are to be reported as an expense in the period incurred. The conversion to the Governmental Accounting Standards presentation resulted in a reduction of assets of \$116,436, an increase of liabilities of \$191,099, an increase of interest expense of \$29,320, a reduction in other general expenses of \$45,943 and a decrease of net position of \$324,158.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION  
YEAR ENDED SEPTEMBER 30, 2020,  
EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2019**

Line Item No.	Account Description	Programs													6.1 Component Unit - Discretely Presented						
		14.PHC Public Housing Cares	14.DVP Disaster Voucher Program	14.870 Resident Opportunity & Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.CCC Central Office Cost Center Cares	14.886 Revitalization of Severely Distressed Public Housing	14.HCC HCV Cares	97.109 Disaster Housing Assistance Grant	14.892 Choice Neighborhoods Planning Grants	COCC	Eliminations	Primary Government Subtotal	Partners-for- Progress, Inc.	Partnerships					
<b>ASSETS</b>																					
<b>CURRENT ASSETS</b>																					
Cash:																					
111	Unrestricted	\$ 6,327,966	\$ -	\$ 557,775	\$ 2,816,655	\$ -	\$ 1,616,932	\$ 274,215	\$ -	\$ -	\$ -	\$ 1,287,788	\$ -	\$ -	\$ 19,271	\$ -	\$ 12,900,602	\$ 201,609	\$ 1,047,221		
113	Other Restricted	-	-	-	-	-	9,269	-	-	-	-	819,754	-	-	-	-	829,023	-	2,421,124		
114	Tenant Security Deposits	158,898	-	-	-	-	-	-	-	-	-	-	-	-	-	-	158,898	-	122,311		
100	Total Cash	6,486,864	-	557,775	2,816,655	-	1,626,201	274,215	-	-	-	819,754	1,287,788	-	19,271	-	13,888,523	201,609	3,590,656		
Accounts and Notes Receivable:																					
122	Accounts Receivable - HUD Other Projects	6,330	-	-	-	13,155	32,579	23,482	-	-	-	-	-	-	-	61,388	-	136,934	-	-	
124	Accounts Receivable - Other Government	-	-	-	-	-	37,211	-	-	-	-	-	-	-	-	-	-	37,211	-	-	
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	702,269	702,269	365,471	-	
126	Accounts Receivable - Tenants	24,429	-	-	-	-	32,790	-	-	-	-	-	-	27,146	-	-	-	84,365	-	45,571	
126.1	Allowance for Doubtful Accounts - Tenants	(4,886)	-	-	-	-	-	-	-	-	-	-	-	(5,429)	-	-	-	(10,315)	-	-	
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	(14,000)	-	-	-	-	-	-	-	-	-	(14,000)	-	(95,542)	
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135,067	
120	Total Receivables, Net	25,873	-	-	-	13,155	88,580	23,482	-	-	-	-	-	21,717	61,388	702,269	-	936,464	404,996	45,571	
Other Current Assets:																					
142	Prepaid Expenses and Other Assets	374,777	-	-	-	-	60,079	-	-	-	-	-	-	-	-	-	91,881	-	526,737	2,010	144,459
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135,087	-	135,087	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,410)	-	(8,410)	-	-
144	Inter Program Due From	-	-	-	-	-	-	-	-	-	-	-	-	46,447	-	-	961,090	(1,007,537)	-	-	-
145	Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,250	-
	Total Other Current Assets	374,777	-	-	-	-	60,079	-	-	-	-	-	-	46,447	-	1,179,648	(1,007,537)	653,414	11,260	144,459	
150	Total Current Assets	6,887,514	-	557,775	2,816,655	13,155	1,774,860	297,697	-	-	-	819,754	1,287,788	68,164	61,388	1,901,188	(1,007,537)	15,478,401	617,865	3,780,686	
<b>NONCURRENT ASSETS</b>																					
Capital Assets:																					
161	Land	2,979,470	-	-	-	-	-	-	-	-	2,207,295	-	-	-	-	-	597,905	-	5,784,670	-	803,683
162	Buildings	37,095,730	-	-	-	-	390,646	-	-	-	1,089,081	-	-	-	-	-	1,220,141	-	39,795,598	-	53,237,754
164	Furniture and Equipment - Administration	282,217	-	-	-	-	163,199	-	-	-	19,197	-	-	-	-	-	44,785	-	509,398	15,418	3,725,184
165	Leasehold Improvements	5,171,362	-	-	-	-	-	-	-	-	206,069	-	-	-	-	-	676,667	-	6,054,098	-	5,630,749
166	Accumulated Depreciation	(32,228,562)	-	-	-	-	-	-	-	-	(833,338)	-	-	-	-	-	(1,510,588)	-	(35,056,340)	-	(14,161,225)
167	Construction in Progress	863,620	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	863,620	-	-
160	Total Capital Assets, Net	14,163,837	-	-	-	-	69,993	-	-	-	2,688,304	-	-	-	-	1,028,910	-	17,951,044	-	49,216,145	
171	Note, Loans and Mortgages Receivable - Noncurrent	2,991,570	-	-	-	-	-	-	-	-	-	-	-	-	-	418,000	-	3,409,570	980,200	-	
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,784
180	Total Noncurrent Assets	17,155,407	-	-	-	-	69,993	-	-	-	2,688,304	-	-	-	-	1,446,910	-	21,360,614	980,200	49,220,929	
190	Total Assets	\$ 24,042,921	\$ -	\$ 557,775	\$ 2,816,655	\$ 13,155	\$ 1,844,853	\$ 297,697	\$ -	\$ -	\$ 2,688,304	\$ 819,754	\$ 1,287,788	\$ 68,164	\$ 61,388	\$ 3,348,098	\$ (1,007,537)	\$ 36,839,015	\$ 1,598,065	\$ 53,001,615	

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2020  
EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2019**

Line Item No.	Account Description	Programs														6.1 Component Unit - Discretely Presented			
		Project Total	14.PHC Public Housing Cares	14.DVP Disaster Voucher Program	14.870 Resident Opportunity & Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.CCC Central Office Cost Center Cares	14.886 Revitalization of Severely Distressed Public Housing	14.HCC HCV Cares	97.109 Disaster Housing Assistance Grant	State/Local	14.892 Choice Neighborhoods Planning Grants	COCC	Eliminations	Primary Government Subtotal	Partners-for-Progress, Inc.	Partnerships	
																			14.IKE DHAP-IKE
<b>LIABILITIES AND NET POSITION</b>																			
<b>CURRENT LIABILITIES</b>																			
311	Bank Overdraft	\$ 5,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,366	\$ -	\$ -	
312	Accounts Payable <= 90 Days	18,342	-	-	-	-	1,882	-	-	-	-	48,367	3,068	-	71,659	4,590	74,393		
321	Accrued Wage/Payroll Taxes Payable	61,651	-	-	-	63,877	168	-	-	-	-	-	105,090	-	231,194	7,408	-		
322	Accrued Compensated Absences - Current Portion	20,595	-	-	-	36,265	-	-	-	-	-	-	35,480	-	92,340	3,506	-		
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,838		
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
341	Tenant Security Deposits	158,898	-	-	-	-	-	-	-	-	-	-	-	-	162,328	-	122,311		
342	Unearned Revenues	-	-	-	-	-	-	-	819,754	-	-	-	-	-	819,754	-	20,380		
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	195,481	-	-	-	-	-	-	-	-	-	-	-	-	195,481	131,334	139,583		
345	Other Current Liabilities	-	-	-	-	16,281	-	-	-	-	-	-	-	-	16,281	364,166	-		
346	Accrued liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	199,468		
347	Inter Program - Due To	3,383	-	-	13,155	70,351	-	-	907,627	-	-	13,021	-	(1,007,537)	-	-	-		
310	Total Current Liabilities	463,716	-	-	13,155	188,656	168	-	907,627	819,754	-	3,838	61,388	143,638	1,594,403	511,004	615,973		
<b>NONCURRENT LIABILITIES</b>																			
351	Long-Term Debt, Net of Current - Capital	1,982,370	-	-	-	-	-	-	-	-	-	-	-	-	1,982,370	1,000,200	21,146,710		
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,943		
354	Accrued Compensated Absences - Noncurrent	28,330	-	-	-	46,693	-	-	-	-	-	-	50,527	-	125,550	-	-		
355	Loan Liability - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
350	Total Noncurrent Liabilities	2,010,700	-	-	-	46,693	-	-	-	-	-	-	50,527	-	2,107,920	1,000,200	21,200,653		
300	Total Liabilities	2,474,416	-	-	13,155	235,349	168	-	907,627	819,754	-	3,838	61,388	194,165	(1,007,537)	3,702,323	1,511,204	21,816,626	
<b>NET POSITION</b>																			
508.4	Net Investment in Capital Assets	11,985,986	-	-	-	69,993	-	-	2,688,304	-	-	-	-	1,028,910	15,773,193	-	27,929,852		
511.1	Restricted	-	-	-	-	9,269	-	-	-	-	-	-	-	-	9,269	-	2,421,124		
512.4	Unrestricted	9,582,519	-	557,775	2,816,655	1,530,242	297,529	-	(907,627)	-	1,287,788	64,326	-	2,125,023	17,354,230	86,861	834,013		
513	Total Net Position	21,568,505	-	557,775	2,816,655	1,609,504	297,529	-	1,780,677	-	1,287,788	64,326	-	3,153,933	33,136,692	86,861	31,184,989		
600	Total Liabilities and Net Position	\$ 24,042,921	\$ -	\$ 557,775	\$ 2,816,655	\$ 13,155	\$ 1,844,853	\$ 297,697	\$ -	\$ 2,688,304	\$ 819,754	\$ 1,287,788	\$ 68,164	\$ 61,388	\$ 3,348,098	\$ (1,007,537)	\$ 36,839,015	\$ 1,598,065	\$ 53,001,615

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED SEPTEMBER 30, 2020**  
**EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2019**

Line Item No.	Account Description	Project Total	Programs													6.1 Component Unit - Discretely Presented							
			14.PHC Housing Cares	14.DVP Disaster Voucher Program	14.IKE DHAP-IKE	14.870 Resident Opportunity & Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.OCC Central Office Cost Center Cares	14.886 Revitalization of Severely Distressed Public Housing	14.HCC HCV Cares	97.109 Disaster Housing Assistance Grant	State/Local	14.892 Choice Neighborhoods Planning Grants	COCC	Eliminations	Primary Government Subtotal	Partners-for-Progress, Inc.	Partnerships				
<b>REVENUE</b>																							
70300	Net Tenant Rental Revenue	\$ 2,001,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,001,847	\$ -	\$ 3,181,419		
70400	Tenant Revenue - Other	165,453	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	165,453	-	30,915		
70500	Total Tenant Revenue	2,167,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,167,300	-	3,212,334		
70600	HUD PHA Operating Grants	3,539,522	448,552	-	-	63,597	33,112,444	87,624	-	-	-	279,997	-	-	311,122	-	-	-	-	37,842,858	-	-	
70610	Capital Grants	296,541	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296,541	-	-	
70710	Management Fee	-	-	-	-	-	-	-	-	127,258	-	-	-	-	-	-	-	1,382,085	(1,439,127)	70,216	-	-	
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,090	(105,090)	-	-	-	
70730	Book-keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	384,902	(384,902)	-	-	-	
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	127,258	-	-	-	-	-	-	-	1,872,077	(1,929,119)	70,216	-	-	
71100	Investment Income - Unrestricted	5,945	-	761	2,613	-	-	2,201	80	-	-	-	1,195	-	-	-	9,173	-	-	21,968	-	10,331	
71400	Fraud Recovery	-	-	-	-	-	-	21,031	-	-	-	-	-	-	-	-	-	-	-	21,031	-	-	
71500	Other Revenue	180,544	-	-	-	-	-	1,300,203	145	-	-	-	-	-	131,072	-	-	-	109,960	-	1,721,924	185,213	1,394,846
71800	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70000	Total Revenue	6,189,852	448,552	761	2,613	63,597	34,435,879	87,849	127,258	-	-	279,997	1,195	131,072	311,122	1,991,210	(1,929,119)	42,141,838	185,213	4,617,511			
<b>EXPENSES</b>																							
<b>Administrative:</b>																							
91100	Administrative Salaries	315,652	51,119	-	-	-	848,337	2,981	86,937	-	-	168,333	-	6,538	57,000	804,435	-	2,341,332	92,498	223,256			
91200	Auditing Fees	24,283	-	-	-	-	28,372	450	-	-	-	-	-	-	-	3,548	-	56,653	4,485	18,025			
91300	Management Fee	805,922	83,454	-	-	-	500,325	-	-	-	-	43,804	-	5,622	-	-	(1,439,127)	-	70,216	-			
91310	Book-Keeping Fee	71,072	-	-	-	-	313,830	-	-	-	-	-	-	-	-	-	-	(384,902)	-	-			
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,675	1,102		
91500	Employee Benefit Contributions - Administration	87,266	12,303	-	-	-	257,270	770	16,227	-	48,017	-	1,859	-	218,694	-	-	642,406	17,908	74,916			
91600	Office Expenses	95,902	-	-	-	-	205,170	-	-	-	-	-	5	-	247,610	-	-	548,687	62,236	67,064			
91700	Legal Expense	1,241	-	-	-	-	225	-	-	-	-	-	-	-	32,351	-	-	33,817	12,207	4,200			
91800	Travel	3,605	-	-	-	6,202	1,977	-	-	-	-	-	-	-	8,788	-	-	20,572	479	11,944			
91900	Other	29,354	7,378	-	-	817	44,060	20	10,483	-	1,458	-	-	254,122	87,136	-	-	434,828	9,091	115,836			
91000	Total Operating - Administrative	1,434,297	154,254	-	-	7,019	2,199,566	4,221	113,647	-	261,612	-	14,024	311,122	1,402,562	(1,824,029)	-	4,078,295	271,695	516,343			
92000	Asset Management Fee	105,090	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(105,090)	-	-	-			
<b>Tenant Services:</b>																							
92100	Tenant Services - Salaries	80,828	11,327	-	-	49,392	-	-	-	-	-	-	-	-	-	-	-	141,547	-	-			
92300	Employee Benefit Contributions - Tenant Services	23,076	3,331	-	-	7,186	-	-	-	-	-	-	-	-	-	-	-	33,593	-	-			
92400	Tenant Services - Other	32,661	157,210	-	-	-	-	-	-	-	-	5,981	-	-	-	-	-	195,852	30,000	-			
92500	Total Tenant Services	136,565	171,868	-	-	56,578	-	-	-	-	-	5,981	-	-	-	-	-	370,992	30,000	-			
<b>Utilities:</b>																							
93100	Water	76,778	-	-	-	-	145	-	-	-	-	-	-	-	-	907	-	77,830	44	38,015			
93200	Electricity	470,792	-	-	-	-	2,972	-	-	-	-	-	-	48	-	21,327	-	495,139	864	48,838			
93300	Gas	96,429	-	-	-	-	610	-	-	-	-	-	-	-	-	690	-	97,729	180	31			
93600	Sewer	345,700	-	-	-	-	448	-	-	-	-	-	-	127	-	1,224	-	347,499	102	15,529			
93000	Total Utilities	989,699	-	-	-	-	4,175	-	-	-	-	-	-	175	-	24,148	-	1,018,197	1,190	102,413			

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED SEPTEMBER 30, 2020**  
**EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2019**

Line Item No.	Account Description	Programs													6.1 Component Unit - Discretely Presented				
		14.PHC Public Housing Cares	14.DVP Disaster Voucher Program	14.IKE DHAP-IKE	14.870 Resident Opportunity & Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.CCC Central Office Cost Center	14.886 Revitalization of Severely Distressed Public Housing	14.HCC HCV Cares	97.109 Disaster Housing Assistance Grant	State/Local	14.892 Choice Neighborhoods Planning Grants	COCC	Eliminations	Primary Government Subtotal	Partners-for- Progress, Inc.	Partnerships	
<b>EXPENSES (CONTINUED)</b>																			
Ordinary Maintenance and Operations:																			
94100	Ordinary Maint and Operation -Labor	\$ 535,166	\$ 95,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 989	\$ -	\$ 631,407	\$ -	\$ 238,015
94200	Ordinary Maint and Operations-Materials	450,263	1,165	-	-	-	355	-	517	-	-	1,557	-	6,838	-	460,695	-	22,899	
94300	Ordinary Maint and Operations-Contracts	906,209	5,865	-	-	-	20,535	-	9,193	-	-	9,470	-	111,943	-	1,068,066	5,540	602,989	
94500	Employee Benefit Contributions-Maint	139,828	13,102	-	-	-	-	-	-	-	-	-	-	139	-	153,069	-	-	
94000	Total Maintenance	2,031,466	115,384	-	-	-	20,890	-	9,710	-	-	4,851	-	119,909	-	2,313,237	5,540	863,903	
Protective Services:																			
95200	Protective Services - Other Contract Costs	76,839	-	-	-	-	-	-	-	-	-	-	-	-	-	76,839	-	899	
95000	Total Protective Services	76,839	-	-	-	-	-	-	-	-	-	-	-	-	-	76,839	-	899	
Insurance Premiums:																			
96110	Property Insurance	648,418	-	-	-	-	-	-	-	-	-	-	-	21,881	-	670,299	-	267,573	
96120	Liability Insurance	56,646	-	-	-	-	53,053	-	-	-	-	-	-	14,194	-	123,893	-	-	
96130	Workmen's Compensation	43,066	7,046	-	-	-	35,932	127	3,901	-	-	7,553	276	34,207	-	132,108	3,869	12,419	
96140	All Other Insurance	29,603	-	-	-	-	27,372	-	-	-	-	-	-	30,240	-	87,215	3,853	1,875	
96100	Total Insurance Premiums	777,733	7,046	-	-	-	116,357	127	3,901	-	-	7,553	276	100,522	-	1,013,515	7,722	281,867	
Other General Expenses:																			
96200	Other General Expenses	158,719	-	262,879	-	-	20,673	-	-	-	-	-	92,361	9,409	-	544,041	15,472	322,711	
96210	Compensated Absences	(21,757)	-	-	-	-	(14,127)	-	-	-	-	-	-	1,870	-	(34,014)	3,506	-	
96400	Bad Debt - Tenant Rents	53,144	-	-	-	-	44,770	-	-	-	-	-	830	-	-	98,744	-	13,360	
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,050	-	
96000	Total Other General Expenses	190,106	-	262,879	-	-	51,316	-	-	-	-	-	93,191	11,279	-	608,771	100,028	336,071	
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	940,949	
96720	Interest on Notes Payable	161,726	-	-	-	-	-	-	-	-	-	-	-	-	-	161,726	-	-	
96700	Total Interest Expense and Amortization	161,726	-	-	-	-	-	-	-	-	-	-	-	-	-	161,726	-	940,949	
96900	Total Operating Expenses	5,903,521	448,552	262,879	-	63,597	2,392,304	4,348	127,258	-	279,997	-	118,693	311,122	1,658,420	(1,929,119)	9,641,572	416,175	3,042,445
97000	Excess (Deficiency) of Operating Revenue Over (Under) Operating Expenses	286,331	-	(262,118)	2,613	-	32,043,575	83,501	-	-	-	1,195	12,379	-	332,790	-	32,500,266	(230,962)	1,575,066
Other Expenses:																			
97100	Extraordinary Maintenance	40,262	-	-	-	-	-	-	-	-	-	-	-	-	-	40,262	-	-	
97200	Casualty Loss - Non-Capitalized	36,736	-	-	-	-	-	-	-	-	-	-	-	(8,205)	-	28,531	-	-	
97300	Housing Assistance Payments	-	-	-	-	-	30,612,068	64,568	-	-	-	-	-	-	-	30,676,636	-	-	
97350	HAP Portability-In	-	-	-	-	-	663,736	-	-	-	-	-	-	-	-	663,736	-	-	
97400	Depreciation Expense	1,608,241	-	-	-	-	24,575	-	-	-	-	-	-	120,592	-	1,821,572	-	1,920,016	
97000	Total Other Expenses	1,685,239	-	-	-	-	31,300,379	64,568	-	68,164	-	-	-	112,387	-	33,230,737	-	1,920,016	
90000	Total Expenses	7,588,760	448,552	262,879	-	63,597	33,692,683	68,916	127,258	68,164	279,997	-	118,693	311,122	1,770,807	(1,929,119)	42,872,309	416,175	4,962,461
<b>OTHER FINANCING SOURCES (USES)</b>																			
10010	Operating Transfer In	161,726	-	-	-	-	-	-	-	-	-	-	-	-	-	(161,726)	-	-	
10020	Operating Transfer Out	(161,726)	-	-	-	-	-	-	-	-	-	-	-	-	-	161,726	-	-	
10040	Operating Transfers from/to Component	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10080	Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10092	Inter Project Excess Cash Transfer - Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(1,398,908)	-	(262,118)	2,613	-	743,196	18,933	-	(68,164)	-	1,195	12,379	-	220,403	-	(730,471)	(230,962)	(344,950)
11030	Beginning Equity	22,967,413	-	819,893	2,814,042	-	866,308	278,596	-	1,848,841	-	1,286,593	51,947	-	2,933,530	-	33,867,163	317,823	31,529,939
<b>NET POSITION - END OF YEAR</b>																			
		\$ 21,568,505	\$ -	\$ 557,775	\$ 2,816,655	\$ -	\$ 1,609,504	\$ 297,529	\$ -	\$ 1,780,677	\$ -	\$ 1,287,788	\$ 64,326	\$ -	\$ 3,153,933	\$ -	\$ 33,136,692	\$ 86,861	\$ 31,184,989

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED SEPTEMBER 30, 2020**  
**EXCEPT FOR PARTNERSHIPS WITH YEAR ENDED DECEMBER 31, 2019**

Line Item No.	Account Description	Project Total	Programs													6.1 Component Unit - Discretely Presented						
			14.PHC Public Housing Cares	14.DVP Disaster Voucher Program	14.IKE DHAP-IKE	14.870 Resident Opportunity & Supportive Services	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.CCC Central Office Cost Center Cares	14.886 Revitalization of Severely Distressed Public Housing	14.HCC HCV Cares	97.109 Disaster Housing Assistance Grant	State/Local	14.892 Choice Neighborhoods Planning Grants	COCC	Eliminations	Primary Government Subtotal	Partners-for-Progress, Inc.	Partnerships			
11020	Required Annual Debt Principal Payments	\$ 182,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,728	\$ -	\$ -
11030	Beginning Equity	22,967,413	-	819,893	2,814,042	-	-	1,311,789	278,596	-	-	1,848,841	-	1,286,593	51,947	-	2,488,049	-	33,867,163	317,823	31,529,939	
11040	Prior Period Adjustments, Equity Transfers and \ Correction of Errors	-	-	-	-	-	-	(445,481)	-	-	-	-	-	-	-	-	445,481	-	-	-	-	
11170	Administrative Fee Equity	-	-	-	-	-	-	1,600,235	-	-	-	-	-	-	-	-	-	-	1,600,235	-	-	
11180	Housing Assistance Payments Equity	10,919	-	-	-	-	-	9,269	-	-	-	-	-	-	-	-	-	-	20,188	-	-	
11190	Unit Months Available	9,875	-	-	-	-	-	53,064	-	-	-	-	-	-	-	-	-	-	62,939	-	-	
11210	Number of Unit Months Leased	9,875	-	-	-	-	-	41,844	-	-	-	-	-	-	-	-	-	-	51,719	-	-	
11270	Excess Cash	5,606,638	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,606,638	-	-	
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11620	Building Purchases	132,544	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	132,544	-	-	
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11640	Furniture & Equipment - Admin. Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13510	CFFP Debt Service Payments	182,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	182,728	-	-	
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
COMBINING SCHEDULE OF THE DISCRETELY PRESENTED COMPONENT UNITS  
YEAR ENDED DECEMBER 31, 2019**

	Brookstown Place Partnership, ALPIC	Cedar Pointe Subdivision, L.P.	Wesley Chapel Development, L.P.	EBRPHA Development 1, L.P.	EBRPHA Development 2, L.P.	EBRPHA Development 4, L.P.	River South Development, L.P.	Total
<b>Assets</b>								
Current Assets	\$ 151,532	\$ 965,585	\$ 681,741	\$ 667,061	\$ 630,371	\$ 394,765	\$ 289,631	\$ 3,780,686
Other Assets	-	135	2,167	1,722	-	760	-	4,784
Capital Assets	3,258,370	9,440,088	7,797,685	7,086,332	7,075,911	5,120,890	9,436,869	49,216,145
<b>Total Assets</b>	<b>\$ 3,409,902</b>	<b>\$ 10,405,808</b>	<b>\$ 8,481,593</b>	<b>\$ 7,755,115</b>	<b>\$ 7,706,282</b>	<b>\$ 5,516,415</b>	<b>\$ 9,726,500</b>	<b>\$ 53,001,615</b>
<b>Liabilities</b>								
Current Liabilities	\$ 31,193	\$ 101,453	\$ 144,216	\$ 114,404	\$ 99,569	\$ 29,239	\$ 95,899	\$ 615,973
Noncurrent Liabilities	1,225,619	2,415,748	3,497,537	4,237,539	4,118,183	1,098,540	4,607,487	21,200,653
<b>Total Liabilities</b>	<b>1,256,812</b>	<b>2,517,201</b>	<b>3,641,753</b>	<b>4,351,943</b>	<b>4,217,752</b>	<b>1,127,779</b>	<b>4,703,386</b>	<b>21,816,626</b>
<b>Net Position</b>								
Net Investment in Capital Assets	2,055,939	7,011,937	4,273,193	2,828,104	2,938,018	4,022,350	4,800,311	27,929,852
Restricted Net Position	106,475	449,629	612,441	498,456	491,403	252,646	10,074	2,421,124
Unrestricted Net Position	(9,324)	427,041	(45,794)	76,612	59,109	113,640	212,729	834,013
<b>Total Net Position</b>	<b>2,153,090</b>	<b>7,888,607</b>	<b>4,839,840</b>	<b>3,403,172</b>	<b>3,488,530</b>	<b>4,388,636</b>	<b>5,023,114</b>	<b>31,184,989</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 3,409,902</b>	<b>\$ 10,405,808</b>	<b>\$ 8,481,593</b>	<b>\$ 7,755,115</b>	<b>\$ 7,706,282</b>	<b>\$ 5,516,415</b>	<b>\$ 9,726,500</b>	<b>\$ 53,001,615</b>



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
COMBINING SCHEDULE OF THE DISCRETELY PRESENTED COMPONENT UNITS  
YEAR ENDED DECEMBER 31, 2019**

	Brookstown Place Partnership, ALPIC	Cedar Pointe Subdivision, L.P.	Wesley Chapel Development, L.P.	EBRPHA Development 1, L.P.	EBRPHA Development 2, L.P.	EBRPHA Development 4, L.P.	River South Development, L.P.	Total
<b>Operating Revenue</b>								
Tenant Revenue	\$ 275,065	\$ 835,922	\$ 563,077	\$ 109,668	\$ 100,859	\$ 49,281	\$ 133,001	\$ 2,066,873
Other Revenue	-	-	-	276,572	275,839	204,566	1,783,330	2,540,307
Total Operating Revenue	<u>275,065</u>	<u>835,922</u>	<u>563,077</u>	<u>386,240</u>	<u>376,698</u>	<u>253,847</u>	<u>1,916,331</u>	<u>4,607,180</u>
<b>Operating Expenses</b>								
Administrative	46,806	103,100	107,711	63,063	64,397	66,332	64,934	516,343
Utilities	1,820	4,631	45,115	13,169	11,809	13,158	12,680	102,382
Maintenance	46,709	164,708	202,922	132,533	118,405	106,523	92,134	863,934
Insurance Premiums	30,500	94,729	45,477	32,247	31,632	36,503	10,779	281,867
Protective Services	-	-	899	-	-	-	-	899
Other General Expense	46,895	115,779	52,825	29,402	29,093	19,946	42,131	336,071
Depreciation Expense	122,847	351,088	307,943	329,601	324,234	183,201	301,102	1,920,016
Total Operating Expenses	<u>295,577</u>	<u>834,035</u>	<u>762,892</u>	<u>600,015</u>	<u>579,570</u>	<u>425,663</u>	<u>523,760</u>	<u>4,021,512</u>
Operating Income (Loss)	(20,512)	1,887	(199,815)	(213,775)	(202,872)	(171,816)	1,392,571	585,668
<b>Nonoperating Revenues (Expenses)</b>								
Investment Income	58	5,802	1,703	1,116	1,104	538	10	10,331
Interest Expense	(65,505)	(176,733)	(142,055)	(130,704)	(124,944)	(17,568)	(283,440)	(940,949)
Total Nonoperating Revenue (Expenses)	<u>(65,447)</u>	<u>(170,931)</u>	<u>(140,352)</u>	<u>(129,588)</u>	<u>(123,840)</u>	<u>(17,030)</u>	<u>(283,430)</u>	<u>(930,618)</u>
Increase (Decrease) in Net Position	(85,959)	(169,044)	(340,167)	(343,363)	(326,712)	(188,846)	1,109,141	(344,950)
Net Position - Beginning of Year December 31, 2018	<u>2,239,049</u>	<u>8,057,651</u>	<u>5,180,007</u>	<u>3,746,535</u>	<u>3,815,242</u>	<u>4,577,482</u>	<u>3,913,973</u>	<u>31,529,939</u>
<b>Net Position - End of Year December 31, 2019</b>	<u>\$ 2,153,090</u>	<u>\$ 7,888,607</u>	<u>\$ 4,839,840</u>	<u>\$ 3,403,172</u>	<u>\$ 3,488,530</u>	<u>\$ 4,388,636</u>	<u>\$ 5,023,114</u>	<u>\$ 31,184,989</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, 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 aggregate discretely presented component units of the Housing Authority of East Baton Rouge Parish (the Authority), as of and for the year ended September 30, 2020, except for the discretely presented component units with year end of December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 12, 2021. Our report includes a reference to other auditors who audited the financial statements of all discrete component units, except for Partners for Progress, Inc. as described in our report on Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
March 12, 2021



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

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, Louisiana

### **Report on Compliance for the Major Federal Programs**

We have audited the Housing Authority of East Baton Rouge 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 each of the Authority's major federal programs for the year ended September 30, 2020. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Authority's basic financial statements include the operations of discretely presented component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended September 30, 2020. Separate audits were performed of the component units in accordance with OMB Circular Uniform Grant Guidance, if required. Results of those audits, if any, are separately reported.

### **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.

### ***Opinion on Each Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 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 2020-001. 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.

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 not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish

The Authority's response to the internal control over compliance 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.

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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
March 12, 2021

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2020**

Federal Grantor Program	Federal CFDA Number	Federal Expenditures	Passed through to Subrecipients
<b>Direct Federal Assistance</b>			
<u>United States Department of Housing and Urban Development</u>			
Public and Indian Housing	14.850	\$ 3,098,361	\$ -
Public and Indian Housing CARES Act Funding	14.PHC	448,552	-
Total Public and Indian Housing		<u>3,546,913</u>	<u>-</u>
Public Housing Capital Fund	14.872	737,702	-
Housing Choice Voucher Program	14.871	33,112,444	-
Housing Choice Voucher Program CAREs Act Funding	14.HCC	279,997	-
Total Housing Choice Voucher Program		<u>33,392,441</u>	<u>-</u>
Resident Opportunity and Supportive Services	14.870	63,597	-
Choice Neighborhood Planning Grants	14.892	311,122	-
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	<u>87,624</u>	<u>-</u>
<b>Total Direct Federal Assistance</b>		<u>38,139,399</u>	<u>-</u>
<b>Indirect Federal Assistance</b>			
<u>United States Department of Housing and Urban Development</u>			
Passed through City of Baton Rouge Parish of East Baton Rouge, Louisiana HOME Investments Partnership Program	14.239	<u>14,209</u>	<u>-</u>
<b>Total Indirect Federal Assistance</b>		<u>14,209</u>	<u>-</u>
<b>Total Federal Assistance</b>		<u>\$ 38,153,608</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 1 BASIS OF PRESENTATION**

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2020. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Authority has elected not to use the 10% De Minimis Indirect Cost Rate allowed under Uniform Guidance.

**NOTE 3 OUTSTANDING LOAN**

The Authority had the following loan balances outstanding at September 30, 2020.

Federal Grantor Program	Federal CFDA Number	Amount Outstanding
HOME Investment Partnership Program	14.239	\$ 14,209

**NOTE 4 HOUSING CHOICE VOUCHER PROGRAM**

In accordance with HUD regulations, HUD considers the Annual Budget Authority for the Section 8 Housing Choice Voucher Program, CFDA No. 14.871, to be considered an expenditure for the purposes of this schedule. Therefore, the amount in this schedule is the total amount received directly from HUD and not the total expenditures paid by the Authority.



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2020**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified? \_\_\_\_\_ Yes        X   No
  - Significant deficiency identified? \_\_\_\_\_ Yes        X   None Reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness identified? \_\_\_\_\_ Yes        X   No
  - Significant deficiency identified?   X   Yes      \_\_\_\_\_ No
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   X   Yes      \_\_\_\_\_ No

***Identification of Major Federal Programs***

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
14.871	Housing Choice Voucher Program

Dollar threshold used to distinguish between Type A and Type B programs: \$1,114,608

Auditee qualified as low-risk auditee?   X   Yes      \_\_\_\_\_ No

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2020**

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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**2020 – 001**

Federal agency: U.S. Department of Housing and Urban Development

Federal program title: Housing Choice Voucher Program

CFDA Number: 14.871

Award Period: 10/1/19-9/30/20

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:** 24 CFR section 960.259 states that for both family income examinations and reexaminations, the PHA must obtain and document in the family file third-party verification of: (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent. 24 CFR sections 5.212, 5.230, and 5.601 through 5.615 states that the head of household must sign (a) a certification that the information provided to the PHA is correct; (b) one or more release forms to allow the PHA to get information from third parties; (c) a federally prescribed general release form for employment information; and (d) a privacy notice. Members of the household 18 or older are also required to sign these forms.

The PHA is required to submit form HUD-50058, Family Report (OMB No. 2577-0083) electronically to HUD each time the PHA completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family. 24 CFR section 908.104 states that a PHA must electronically transmit to HUD all required data fields (correctly formatted) from the HUD-50058 form in accordance with HUD instructions.

**Condition:** During our testing we noted the Authority did not have adequate internal controls designed to ensure compliance with tenant eligibility and reporting requirements.

**Questioned costs:** Unable to determine

**Context:** During our testing of a sample of 40 tenant files for eligibility and reporting purposes, it was noted that 4 files did not comply with eligibility and reporting requirements. The sample was a statistically valid sample.

- 1 instance where the file did not have the HUD form 9886 release for information signed by all members of the household
- 3 instances where the HUD 50058 was not uploaded to PIC for the effective date tested

**Cause:** The Authority did not sufficiently monitor staff and internal controls to ensure compliance with the eligibility and reporting requirements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2020**

**Effect:** The Authority is not in compliance with federal regulations regarding eligibility and reporting. The amount of tenant rent could be incorrect based on missing or inaccurate information.

**Recommendation:** We recommend that management review their controls for retrieving and submitting tenant information and establish a method that ensures compliance.

**Views of responsible officials:** There is no disagreement with the audit finding.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER  
(UNAUDITED)  
YEAR ENDED SEPTEMBER 30, 2020**

**EXPENDITURE PURPOSE**

Salary	\$ 187,115*
Benefits-Insurance	13,627
Benefits-Retirement	19,775
Car Allowance	7,110
Per Diem	569
Registration Fees	300
Conference Travel	2,136
Total Compensation, Benefits, and Other Payments	\$ 230,632

Agency Head: Jim Daniels, Chief Executive Officer  
Period: October 1, 2019 through September 30, 2020  
\* Salary increase on July 23, 2020

**Basis of Presentation:**

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



U.S. Department of Housing and Urban Development

The Housing Authority of East Baton Rouge Parish respectfully submits the following corrective action plan for the year ended September 30, 2020.

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

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

### **FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

2020-001      Housing Choice Voucher Program – CFDA No. 14.871

Recommendation: We recommend that management review their controls for retrieving and submitting tenant information and establish a method that ensures compliance.

Explanation of disagreement with audit finding: There is no disagreement with this audit finding.

Response/Action:

1. 1 instance where the file did not have the HUD form 9886 release for information signed by all members of the household

The HUD form 9886 Release for the action tested had the signature of the HOH, but did not have signatures of two (2) Other adults. The 9886 Release for the current action on the household includes signatures of the HOH and all other adults.

2. 3 instances where the HUD 50058 was not uploaded to PIC for the effective date tested

On the three instances whereas HUD 50058 not in PIC, all have been corrected.

On record one, the client was terminated and EOP submitted. Thereafter, client was reinstated as result of hearing. Action was updated/corrected in agency software but not transmitted to PIC.

On record two, the client action was submitted to PIC as portability move-in resulting in error that was not corrected. As result of other PHA action, the record needed to be reported as new admission.

On record three, there was an error with the data file submission that was not corrected.

The PHA has expanded the process of monitoring and tracking PIC submissions including correction of errors.

Name of the contact person responsible for corrective action: Janie Anderson, HCV Director

Planned completion date for corrective action plan: This finding has been corrected and no further action is needed.

If the Department of Housing and Urban Development has questions regarding this plan, please call Melonie Bayham at 225.923.8120.