

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
ALEXANDRIA, LOUISIANA  
REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA  
YEAR ENDED JUNE 30, 2019

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
ALEXANDRIA, LOUISIANA  
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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of the City of Alexandria  
Alexandria, Louisiana

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

We have audited the accompanying financial statements of the Housing Authority of the City of Alexandria, Louisiana as of and for the fiscal year ended June 30, 2019, and the related notes to the 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 design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the fiscal 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 Management's Discussion and Analysis on pages 7 through 15 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.

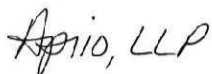
**Other Information**

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. Supplementary data is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for the Department of Housing and Urban Development's information and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Additionally, the accompanying Schedule of Compensation, Benefits and Other Payments to the Executive Director is presented for the Office of the Louisiana Legislative Auditor's information and is not a required part of the basic financial statements.

The Financial Data Schedule, the Schedule of Expenditures of Federal Awards and other supplementary data are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting data and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Birmingham, Alabama  
December 12, 2019

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

Board of Commissioners  
 Housing Authority of the City of Alexandria  
 Alexandria, 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 Authority, as of and for the fiscal year ended June 30, 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 December 12, 2019.

## 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be 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.

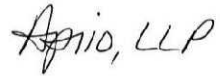
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies*. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be *material weaknesses*. However, *material weakness* 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Handwritten signature of Aprio, LLP in black ink.

Birmingham, Alabama  
December 12, 2019

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

Board of Commissioners  
Housing Authority of the City of Alexandria  
Alexandria, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the fiscal year ended June 30, 2019. The Authority's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

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

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for 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* (CFR) 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 the major federal programs. However, our audit does not provide a legal determination of Authority's compliance.

### Opinion on Each Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2019.

### Report on Internal Control Over Compliance

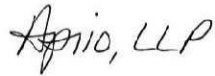
Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2019-001, that we consider to be a *significant deficiency*.

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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Birmingham, Alabama  
December 12, 2019



**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED JUNE 30, 2019**

The Housing Authority of the City of Alexandria's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (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.

***Financial Highlights***

- The Authority's net position decreased \$7.6 million during 2019. Net Position was \$13.2 million and \$5.6 million for 2018 and 2019, respectively.
  
- Revenues increased by \$2.1 million during 2019, and were \$7.7 million and \$9.8 million for 2018 and 2019, respectively.
  
- The total expenses of all Authority programs increased \$6 million, and were \$11.4 million and \$17.4 million for 2018 and 2019, respectively.

*USING THIS ANNUAL REPORT*

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

***MD&A***

*~ MANAGEMENT DISCUSSION  
AND ANALYSIS ~*

***BASIC FINANCIAL STATEMENTS***

*~ AUTHORITY-WIDE FINANCIAL STATEMENTS ~  
~ NOTES TO FINANCIAL STATEMENTS ~*

***OTHER REQUIRED SUPPLEMENTARY INFORMATION***

*~ REQUIRED SUPPLEMENTARY INFORMATION ~  
(OTHER THAN MD&A)*

## 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 for 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 “Non-current”.

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, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue 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, non-capital financing activities, investing activities and from capital and related financing activities.

## THE AUTHORITY'S 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 offer 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.

Housing Choice Voucher 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 Annual Contributions Contract (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.

Other Programs – In addition to the significant programs above, the Authority also maintains the following programs:

- Central Office Cost Center
- Business Activities

## AUTHORITY-WIDE STATEMENTS

### Condensed Statement of Net Position

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

**TABLE 1**  
**CONDENSED STATEMENT OF NET POSITION**

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Assets:			
Current and Restricted Assets	\$ 3,777,212	\$ 2,387,208	\$ 1,390,004
Capital Assets	<u>2,405,665</u>	<u>11,576,001</u>	<u>(9,170,336)</u>
<b>Total Assets</b>	<b><u>\$ 6,182,877</u></b>	<b><u>\$ 13,963,209</u></b>	<b><u>\$ (7,780,332)</u></b>
Liabilities:			
Current Liabilities	\$ 297,388	\$ 424,642	\$ (127,254)
Long Term Liabilities	<u>249,096</u>	<u>270,077</u>	<u>(20,981)</u>
<b>Total Liabilities</b>	<b><u>\$ 546,484</u></b>	<b><u>\$ 694,719</u></b>	<b><u>\$ (148,235)</u></b>
Net Position:			
Net Investment in Capital Assets	\$ 2,405,665	\$ 11,576,001	\$ (9,170,336)
Restricted Net Position	412,379	-	412,379
Unrestricted Net Position	<u>2,818,349</u>	<u>1,692,489</u>	<u>1,125,860</u>
<b>Total Net Position</b>	<b><u>\$ 5,636,393</u></b>	<b><u>\$ 13,268,490</u></b>	<b><u>\$ (7,632,097)</u></b>

### Major Factors Affecting the Condensed Statement of Net Position

During 2019 current and restricted assets increased due mainly to elevated cash balances as of fiscal year-end. See the Statement of Cash Flows for details regarding cash inflows and outflows. Capital assets decreased due to the disposition of four Public Housing Dwelling properties through participation in HUD's Rental Assistance Demonstration (RAD) Program. For additional detail regarding capital asset additions see "Capital Assets" in Tables 4 and 5.

Current liabilities increased moderately due to the recognition of unearned grant revenues as of fiscal year-end.

The June 30, 2019 restricted net position balance represents funds held and restricted for fiscal year 2020 housing assistance payments. No such reserves were held as of fiscal year-end 2018.

Table 2 presents details on the change in Unrestricted Net Position

**TABLE 2**

**CHANGE IN UNRESTRICTED NET POSITION**

Unrestricted Net Position, July 1, 2018	\$ 1,692,489
Results of Operations	1,521,589
Capital Expenditures from Operations	(51,870)
Bad Debt Expense on Note Receivable	(500,000)
Investment Income	44,288
Funds Restricted for Future Housing Assistance Payments	(412,379)
Depreciation Expense	<u>524,232</u>
<b>Unrestricted Net Position, June 30, 2018</b>	<b><u><u>\$ 2,818,349</u></u></b>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer understanding of the change in financial well-being.

**TABLE 3**

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

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

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Revenue:			
Tenant Rental Revenue	\$ 207,279	\$ 592,374	\$ (385,095)
Operating Grants	8,601,288	6,415,030	2,186,258
Capital Grants	33,307	566,854	(533,547)
Investment Income	44,288	15,134	29,154
Other Revenue	882,333	96,874	785,459
<b>Total Revenue</b>	<b>\$ 9,768,495</b>	<b>\$ 7,686,266</b>	<b>\$ 2,082,229</b>
Expenses:			
Administrative Expenses	\$ 1,371,203	\$ 1,590,064	\$ (218,861)
Tenant Services	9,152	20,306	(11,154)
Utilities	96,780	197,570	(100,790)
Maintenance & Operations	391,487	879,729	(488,242)
General Expense	191,443	366,805	(175,362)
Housing Assistance Payments	4,845,032	3,979,806	865,226
RAD Conversion Assistance Payments	739,982	345,015	394,967
Loss on Disposal of Capital Assets	8,731,281	2,695,728	6,035,553
Bad Debt Expense on Note Receivable	500,000	510,000	(10,000)
Depreciation	524,232	830,397	(306,165)
<b>Total Expenses</b>	<b>\$ 17,400,592</b>	<b>\$ 11,415,420</b>	<b>\$ 5,985,172</b>
<b>Excess (Deficiency) Revenue Over Expense</b>	<b>\$ (7,632,097)</b>	<b>\$ (3,729,154)</b>	<b>\$ (3,902,943)</b>

**Major Factors Affecting the Schedule of Revenue, Expenses and Changes in Net Position**

Rental revenue decreased due to the Public Housing property dispositions previously referenced, and the resulting reduction of leasing. Operating grants increased due primarily to increased subsidies recognized through the Section 8 Housing Choice Voucher program to fund increased administrative and rental costs of the properties converted to HUD's RAD program during fiscal years 2018 and 2019. Operating subsidies recognized through the Capital Fund program also increased in order to fund RAD conversion costs. Capital grants decreased due to a significant reduction of modernization and renovation activity on the Authority's remaining Public Housing dwelling properties. Other revenue increased due mainly to developer fees and other proceeds recognized from the Authority's RAD property affiliates as a result of the Authority's administrative and oversight efforts of the RAD conversions.

Administrative expenses decreased due predominantly to a reduction of personnel and related expenses incurred. Utilities, maintenance and depreciation reductions; and the increase of the loss on disposal of capital assets were a result of the aforementioned dwelling property dispositions through the RAD conversions. Insurance costs, compensated absences costs and tenant bad debt expenses also decreased and accounted for most of the reduction of general expenses. Both, housing assistance payments and RAD conversion assistance payments increased from fiscal year 2018 as a result of the former Public Housing properties converting to Section 8 Project-Based voucher properties.

**Major Factors Affecting the Schedule of Revenue, Expenses and Changes in Net Position  
(Continued)**

The RAD-converted properties yield higher rental rates due to the renovations and upgrades to the properties upon conversion. RAD conversion assistance payments are housing assistance payments made to the RAD-converted property owners during calendar year 2018 and were funded with Public Housing subsidies. In January of 2019, the properties began receiving HUD funding under a Section 8 voucher assistance contract through the Authority. Assistance payments made to the RAD-converted property owners from January through June of 2019 were reported under Housing Assistance Payments expense. The fiscal years 2018 and 2019 bad debt expense on note receivable expenses represent disbursements on Promissory Notes to Harmony Gardens Estates, LP in fiscal year 2018 and Royal Cambridge Homes, LP in fiscal year 2019. The Authority recognized a loss on the disbursements due to uncertainties regarding the value of any future consideration they may receive on the Notes.

**CAPITAL ASSETS**

As of year-end, the Authority had \$2.4 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$9.2 million from the end of last year.

**TABLE 4  
CAPITAL ASSETS AT YEAR-END  
(NET OF DEPRECIATION)**

	<u>2019</u>	<u>2018</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 995,754	\$ 995,754	\$ -	0%
Buildings & Improvements	8,086,236	33,762,796	(25,676,560)	-76%
Furniture & Equipment	285,254	311,765	(26,511)	-9%
Accumulated Depreciation	<u>(6,961,579)</u>	<u>(23,494,314)</u>	<u>16,532,735</u>	<u>-70%</u>
<b>Net Capital Assets</b>	<b><u>\$ 2,405,665</u></b>	<b><u>\$ 11,576,001</u></b>	<b><u>\$(9,170,336)</u></b>	<b><u>-79%</u></b>

**TABLE 5  
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance, July 1, 2018	\$ 11,576,001
Additions:	
Buildings & Improvements	30,188
Equipment	54,989
Dispositions, Net of A/D	(8,731,281)
Depreciation Expense	<u>(524,232)</u>
<b>Ending Balance, June 30, 2019</b>	<b><u>\$ 2,405,665</u></b>



## **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 utility rates, supplies and other costs

## **FINANCIAL CONTACT**

This financial report is designed to provide our residents, the citizens of Alexandria, and federal and state regulatory bodies with a general overview of the Authority's finances as of June 30, 2018. The individual to be contacted regarding this report is the Executive Director. Specific requests may be submitted to the Housing Authority of the City of Alexandria, at 2558 Loblolly Lane, Alexandria, Louisiana 71306.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019

ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES

	<b>Enterprise Fund</b>
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 2,371,511
Accounts Receivable (Net)	917,188
Investments	24,583
Prepaid Costs	51,551
Total Current Assets	<u>3,364,833</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>412,379</u>
Total Restricted Assets	<u>412,379</u>
<u>Capital Assets</u>	
Land	995,754
Buildings and Improvements	8,086,236
Furniture & Equipment	<u>285,254</u>
	9,367,244
(Less): Accumulated Depreciation	<u>(6,961,579)</u>
Net Capital Assets	<u>2,405,665</u>
Total Assets	<u>6,182,877</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 6,182,877</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019

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

	<b>Enterprise Fund</b>
<u>Current Liabilities</u>	
Accounts Payable	\$ 124,444
Accrued Wages and Payroll Taxes	45,406
Accrued Compensated Absences	36,867
Accounts Payable - HUD	55,170
Tenant Security Deposits	16,451
Unearned Revenue	19,050
Total Current Liabilities	<u>297,388</u>
<u>Long Term Liabilities</u>	
Accounts Payable - HUD, Non-current	158,834
Accrued Compensated Absences	90,262
Total Long Term Liabilities	<u>249,096</u>
Total Liabilities	<u>546,484</u>
Deferred Inflows of Resources - HAP Receipts	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>546,484</u>
<u>Net Position</u>	
Net Investment in Capital Assets	2,405,665
Restricted Net Position	412,379
Unrestricted Net Position	2,818,349
Total Net Position	<u>5,636,393</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 6,182,877</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Enterprise Fund</b>
<u>Operating Revenues</u>	
Dwelling Rent	\$ 207,279
Operating Grants	8,601,288
Other Revenue	882,333
Total Operating Revenues	<u>9,690,900</u>
<u>Operating Expenses</u>	
Administrative	1,371,203
Tenant Services	9,152
Utilities	96,780
Maintenance and Operations	391,487
General Expense	191,443
Housing Assistance Payments	4,845,032
RAD Conversion Assistance Payments	739,982
Depreciation	524,232
Total Operating Expenses	<u>8,169,311</u>
Operating Income (Loss)	<u>1,521,589</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	44,288
Loss on Disposition of Capital Assets	(8,731,281)
Bad Debt Expense on Note Receivable	(500,000)
Total Non-Operating Rev/(Exp)	<u>(9,186,993)</u>
Increase (decrease) before Capital Contributions	<u>(7,665,404)</u>
Capital Contributions	<u>33,307</u>
Increase (Decrease) in Net Position	(7,632,097)
Net Position, Beginning	<u>13,268,490</u>
Net Position, Ending	<u>\$ 5,636,393</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Enterprise Fund</b>
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 207,107
Cash Received from Operating Grants	8,299,583
Cash Received from Other Sources	1,001,967
Cash Payments for Salaries and Benefits	(1,158,780)
Cash Payments to Vendors and Landlords	<u>(6,553,470)</u>
Net cash provided (used) by operating activities	<u>1,796,407</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	149,290
Capital Outlay	(85,177)
Net cash provided (used) by capital & related financing activities	<u>64,113</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and investments	51,157
Operating Advances to RAD Partnerships	(941,344)
Reimbursements of Operating Advances from RAD Partnerships	738,598
Disbursement on Promissory Note to Royal Cambridge Homes, LP	<u>(500,000)</u>
Net cash provided (used) by investing activities	<u>(651,589)</u>
Net increase in cash and cash equivalents	1,208,931
Total cash and cash equivalents, beginning of year	<u>1,574,959</u>
Total cash and cash equivalents, end of year	<u><u>\$ 2,783,890</u></u>

*Continued on next page*

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
STATEMENT OF CASH FLOWS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2019**

**Reconciliation of operating income (loss) to net cash  
provided (used) by operating activities:**

Operating Income (Loss)	\$ 1,521,589
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	524,232
Bad Debt Expense (Tenants)	4,330
Change in Tenant Accounts Receivable	2,149
Change in Accounts Receivable/Payable - Grants	(301,705)
Change in Other Accounts Receivable	166,378
Change in Prepaid Costs	34,591
Change in Accounts Payable - Operating	(117,699)
Change in Accrued Expenses	11,607
Change in Unearned Revenue - Tenants	(2,321)
Change in Security Deposits Held	(46,744)
Net cash provided (used) by operating activities	<u>\$ 1,796,407</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA

ALEXANDRIA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Cash and Investments

The Housing Authority considers bank deposits in checking accounts to be cash and cash equivalents. Investments consist of three certificates of deposit.

Accounts Receivable

Accounts receivables are carried at the amount considered by management to be collectible and consist of amounts due from HUD, affiliated limited partnerships and other miscellaneous debtors.

Prepaid Costs

Prepaid costs consist of insurance pre-payments for coverage applicable to fiscal year 2020.

Indirect Cost 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 HUD.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### 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 June 30, 2019 unearned revenue consisted of grant proceeds of \$18,138, and tenant rent prepayments of \$912.

#### Revenue Accounting Policies

Dwelling rent income, HUD grants received for operations and miscellaneous income are reported as operating income. HUD grants received for capital assets and all other revenue is reported as non-operating revenue.

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

#### 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 Revenues, Expenses and Changes in Net Position. Estimated useful lives are as follows:

Buildings	40 years
Building Improvements	15 years
Furniture and equipment	3-7 years

Authority management has assessed the carrying values of capital asset balances as of June 30, 2019, and as of December 12, 2019. No significant capital asset value impairments exist as of the noted dates.

#### Payments-in-lieu-of Taxes

The Authority has entered into a Payment-in-Lieu of Taxes (PILOT) Agreement with the City of Alexandria whereby the Authority agrees to pay a negotiated sum in lieu of real property taxes. During fiscal year 2019 the Authority incurred \$10,450 of PILOT expense and owed the City \$33,348 of PILOT as of fiscal year-end, which is reported in Accounts Payable on the Statement of Net Position.

#### Deferred Outflows and Inflows of Resources

A Deferred Outflow of Resources is a consumption of assets by the Authority that is applicable to a future reporting period. Conversely, a Deferred Inflow of Resources is an acquisition of assets by the Authority that is applicable to a future reporting period.



## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE B - REPORTING ENTITY DEFINITION

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

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

Based upon the application of these criteria, the reporting entity includes the following blended component unit:

*Alexandria Affordable Housing Corporation* (the Corporation) – is a legally separate not-for-profit corporation, organized for the purpose of redeveloping former public housing units and providing housing for low-moderate income individuals and families in Alexandria. The organization's year end is June 30. The Corporation does not issue stand-alone financial statements. The Corporation's financial balances have been consolidated into the financial balances of the Authority and reported in the Business Activities column of the Authority's Supplemental Financial Schedules, along with other business activities of the Authority. As of and for the year ended June 30, 2019 the Corporation reported assets of \$558,621 consisting entirely of current assets, no liabilities, net position of \$558,621, developer fee revenues of \$100,000, interest income of \$1,372 and cash flows of \$101,372.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE C - CASH AND INVESTMENT DEPOSITS

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

*Interest Rate Risk* – The Housing 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 housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally insured investments.

The Authority's cash and cash equivalents consist of cash held in interest-bearing checking accounts totaling \$2,783,890. \$412,379 of cash held in checking accounts is restricted for future housing assistance payments. Investments consist of three certificates of deposit (CD's) with interest rates of .10%, totaling \$24,583. Deposits with financial institutions are secured as follows:

	<b>Reconciled Book Balance</b>	<b>Bank Deposits</b>
Insured by FDIC	\$ 274,583	\$ 274,583
Collateralized with specific securities pledged to the Authority and held by a third party financial institution	2,533,890	2,691,617
	<b><u>\$ 2,808,473</u></b>	<b><u>\$ 2,966,200</u></b>

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.

### NOTE D – SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, accounts receivable valuations and earned sick leave to be utilized. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

### NOTE E – RISK MANAGEMENT

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE F – CONCENTRATION OF RISK

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

NOTE G – INTER-PROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and subsequently reimbursed. Balance due for operating advances are reflected in the Schedule of Assets, Liabilities and Net Position by Program, but are eliminated in the Authority's Statement of Net Position. Inter-program balances at June 30, 2019 consisted of the following:

Business Activities	\$ 1,253,247
Central Office Cost Center	<u>(1,253,247)</u>
	<u>\$ -</u>

NOTE H - RETIREMENT PLAN

The Housing Authority provides retirement benefits to full-time employees through a 457-deferred compensation retirement plan, administered by Nationwide and titled the Alexandria Housing Authority Retirement Plan (the Plan). The Housing Authority's contributions to the Plan are discretionary and determined by the Board of Commissioners. For the fiscal year ended June 30, 2019, the Authority made contributed \$57,147 to the Plan.

NOTE I – COMMITMENTS AND CONTINGENCIES

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

NOTE J – COMPENSATED ABSENCES

Housing Authority employees are granted vacation and sick leave in varying amounts depending on tenure with the Authority. In the event of termination, an employee is reimbursed for accumulated vacation leave up to a maximum of 300 hours. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K – ACCOUNTS RECEIVABLE

A summary of receivables as of June 30, 2019 is as follows:

	<u>Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Grants Receivable due from HUD (Net)	\$ 668,005	\$ -	\$ 668,005
Tenant Rent Receivables	6,649	(4,277)	2,372
Operating Advances due from RAD Partnerships	232,072	-	232,072
Accrued Interest Receivable	122	-	122
Other Miscellaneous Receivables	14,617	-	14,617
<b>Total Receivables, Net of Allowances</b>	<b><u>\$ 921,465</u></b>	<b><u>\$ (4,277)</u></b>	<b><u>\$ 917,188</u></b>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE L – CAPITAL ASSETS

A summary of capital assets as of June 30, 2019, and activity for the fiscal year then ended is as follows:

	<u>July 1, 2018</u> <u>Balance</u>	<u>Additions</u>	<u>Transfers &amp;</u> <u>Deletions</u>	<u>June 30, 2019</u> <u>Balance</u>
Land	\$ 995,754	\$ -	\$ -	\$ 995,754
Total Assets not being depreciated	995,754	-	-	995,754
Buildings and Improvements	33,762,796	30,188	(25,706,748)	8,086,236
Furniture and Equipment	311,765	54,989	(81,500)	285,254
Total Capital Assets	35,070,315	85,177	(25,788,248)	9,367,244
Less Accumulated Depreciation				
Buildings and Improvements	(23,234,135)	(509,734)	16,975,467	(6,768,402)
Furniture and Equipment	(260,179)	(14,498)	81,500	(193,177)
<b>Net Book Value</b>	<b>\$ 11,576,001</b>	<b>\$ (439,055)</b>	<b>\$ (8,731,281)</b>	<b>\$ 2,405,665</b>

During fiscal year 2019, the Authority disposed of three former Public Housing properties via a ground lease to Royal Cambridge Homes, LP and one former Public Housing property via a ground lease to Magnolia Crossings RAD, LP. The Authority is not anticipating any payments under the ground leases. The cost bases of the four properties disposed of totaled \$25,788,248 and total accumulated depreciation through the October 2018 dispositions was \$17,056,967, resulting in a total book-value disposition of \$8,731,281.

Royal Cambridge Homes, LP issued a Promissory Note as consideration for the properties in the amount of \$7,880,000, dated October 31, 2018. The Note bears interest at 3% compounded annually on unpaid principal, matures on October 31, 2060 and is secured by the applicable dwelling structures. The outstanding principal balance of the Note was \$7,880,000 and accrued interest receivable was \$158,356 as of June 30, 2019. Due to uncertainties regarding any future consideration the Authority will receive on the Note, Authority management has recorded an allowance against the principal balance and accrued interest balance of the Note and will recognize any payments received on the Note as income when received.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE L – CAPITAL ASSETS - Continued

Magnolia Crossings RAD, LP issued a Promissory Note as consideration for the property in the amount of \$1,225,000, dated October 22, 2018. The Note bears interest at 3.5% compounded annually on unpaid principal, matures on October 22, 2060 and is secured by the applicable dwelling structures. The outstanding principal balance of the Note was \$1,225,000 and accrued interest receivable was \$26,597 as of June 30, 2019. Due to uncertainties regarding any future consideration the Authority will receive on the Note, Authority management has recorded an allowance against the principal balance and accrued interest balance of the Note and will recognize any payments received on the Note as income when received.

As a result of the election to defer any recognition of potential value of the Promissory Notes to a later reporting period, the Authority has reported a Loss on the Disposition of Capital Assets of \$8,731,281 in its Statement of Revenues, Expenses and Changes in Net Position.

### NOTE M – OTHER NOTES RECEIVABLE

During fiscal year 2018, the Authority issued two Promissory Notes to Harmony Gardens Estates, LP in the amounts of \$7,265,000 and \$785,000, dated December 21, 2017. The Notes bear interest at 3% compounded annually on unpaid principal, mature on December 21, 2059 and are secured by the applicable dwelling structures. The outstanding principal balances of the Notes were \$7,265,000 and \$785,000 and combined accrued interest receivable was \$373,208 as of June 30, 2019.

Additionally, the Authority loaned Harmon Garden Estates, LP \$510,000 under a third Promissory Note dated December 21, 2017. The Note bears interest at 3% compounded annually on unpaid principal, matures on December 21, 2059 and is secured by the same dwelling structures which secure the two Notes described above. Principal and interest payments shall be paid annually solely from Cash Flow pursuant to Article 4 of Maker's Second Amended and Restated Agreement of Limited Partnership. The outstanding principal balance of the Note was \$510,000 and accrued interest receivable was \$24,112 as of June 30, 2019.

On October 31, 2018, the Authority loaned Royal Cambridge Homes, LP \$500,000 under an additional Promissory Note. The Note bears interest at 3% compounded annually on unpaid principal, matures on October 31, 2060 and is secured by the same dwelling structures which secure the \$7,880,000 Note described above in Note L. Principal and interest payments shall be paid annually solely from available Cash Flow pursuant to the Agreement of Limited Partnership. The outstanding principal balance of the Note was \$500,000 and accrued interest receivable was \$10,048 as of June 30, 2019.

Due to uncertainties regarding any future consideration the Authority will receive on the Notes, Authority management has recorded an allowance against the principal balances and accrued interest balances of the Notes and will recognize any payments received on the Notes as income when received. Therefore, the Authority has reported Bad Debt Expense on Note Receivable of \$500,000.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE N – LONG-TERM LIABILITIES

A summary of long-term liability activity for the fiscal year ended June 30, 2019 is as follows:

	<u>July 1,</u> <u>2018 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30,</u> <u>2019 Balance</u>	<u>Due Within</u> <u>One Year</u>
Repayment Agreements due to HUD	\$ 233,554	\$ -	\$ 26,472	\$ 207,082	\$ 48,248
Compensated Absences	119,397	86,240	78,508	127,129	36,867
Less: Current portion	<u>(82,874)</u>			<u>(85,115)</u>	
<b>Long Term Liabilities</b>	<b><u>\$ 270,077</u></b>	<b><u>\$ 86,240</u></b>	<b><u>\$ 104,980</u></b>	<b><u>\$ 249,096</u></b>	<b><u>\$ 85,115</u></b>

As a result of a HUD Review Report issued on February 24, 2015, the Authority has agreed to reimburse HUD for Section 8 Housing Choice Voucher Program grant funds in the amount of \$482,469. As of June 30, 2019, the Authority paid back \$297,163, and owed HUD the remaining \$185,306, of which \$26,472 is anticipated to be paid during fiscal year 2020.

Additionally, the Authority owed HUD \$21,776 of Disaster Voucher Program grant funds as of fiscal year-end under a separate agreement, all of which is payable during fiscal year 2020.

NOTE O – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through December 12, 2019, the date the financial statements were available to be issued.

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
SCHEDULE OF UNCOMPLETED PROGRAM COSTS - CAPITAL FUND PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>LA48R02350213</b>	<b>LA48P02350114</b>	<b>LA48R02350114</b>
Funds Approved	\$ 317,282	\$ 748,070	\$ 326,451
Funds Expended	94,573	713,990	-
Excess of Funds Approved	<u>\$ 222,709</u>	<u>\$ 34,080</u>	<u>\$ 326,451</u>
Funds Advanced	\$ 94,573	\$ 717,687	\$ -
Funds Expended	94,573	713,990	-
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ 3,697</u>	<u>\$ -</u>
	<b>LA48P02350115</b>	<b>LA48R02350115</b>	<b>LA48P02350116</b>
Funds Approved	\$ 766,381	\$ 334,550	\$ 802,045
Funds Expended	732,736	-	789,045
Excess of Funds Approved	<u>\$ 33,645</u>	<u>\$ 334,550</u>	<u>\$ 13,000</u>
Funds Advanced	\$ 729,066	\$ -	\$ 388,204
Funds Expended	732,736	-	789,045
Excess of Funds Advanced	<u>\$ (3,670)</u>	<u>\$ -</u>	<u>\$ (400,841)</u>
	<b>LA48R02350116</b>	<b>LA48P02350117</b>	<b>LA48P02350118</b>
Funds Approved	\$ 350,198	\$ 839,368	\$ 1,304,073
Funds Expended	-	839,368	351,299
Excess of Funds Approved	<u>\$ 350,198</u>	<u>\$ -</u>	<u>\$ 952,774</u>
Funds Advanced	\$ -	\$ 688,958	\$ 130,407
Funds Expended	-	839,368	351,299
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ (150,410)</u>	<u>\$ (220,892)</u>



HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
ALEXANDRIA, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

**EXPENDITURES**

Public Housing Program	
Total CFDA Number 14.850a	<u>\$ 1,343,211</u>
Section 8 Housing Choice Voucher Program	
Total CFDA Number 14.871	<u>5,929,770</u>
Public Housing Capital Fund Program	
Total CFDA Number 14.872	<u>1,358,614</u>
TOTAL HUD EXPENDITURES	<u>8,631,595</u>
<b>TOTAL FEDERAL EXPENDITURES</b>	<b><u><u>\$ 8,631,595</u></u></b>

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 June 30, 2019. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

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

Housing Authority of the City of Alexandria (LA023)

Alexandria, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2019

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	COCC	ELIM	Total Enterprise Fund
111 Cash - Unrestricted	\$ 738,216	\$ 473,033	\$ 7,673	\$ 1,136,138	\$ -	\$ 2,355,060
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-
113 Cash - Other Restricted	-	412,379	-	-	-	412,379
114 Cash - Tenant Security Deposits	14,851	-	1,600	-	-	16,451
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-
<b>100 Total Cash</b>	<b>\$ 753,067</b>	<b>\$ 885,412</b>	<b>\$ 9,273</b>	<b>\$ 1,136,138</b>	<b>\$ -</b>	<b>\$ 2,783,890</b>
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	772,116	-	-	-	(104,111)	668,005
124 Accounts Receivable - Other Government	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	14,357	442,372	260	(210,300)	246,689
126 Accounts Receivable - Tenants	4,483	-	2,166	-	-	6,649
126.1 Allowance for Doubtful Accounts -Tenants	(3,036)	-	(1,241)	-	-	(4,277)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-
129 Accrued Interest Receivable	122	-	-	-	-	122
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>\$ 773,685</b>	<b>\$ 14,357</b>	<b>\$ 443,297</b>	<b>\$ 260</b>	<b>\$ (314,411)</b>	<b>\$ 917,188</b>
131 Investments - Unrestricted	24,583	-	-	-	-	24,583
132 Investments - Restricted	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	33,356	6,661	2,348	9,186	-	51,551
143 Inventories	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-
144 Inter Program Due From	-	-	1,253,247	-	(1,253,247)	-
145 Assets Held for Sale	-	-	-	-	-	-
<b>150 Total Current Assets</b>	<b>\$ 1,584,691</b>	<b>\$ 906,430</b>	<b>\$ 1,708,165</b>	<b>\$ 1,145,584</b>	<b>\$ (1,567,658)</b>	<b>\$ 3,777,212</b>
161 Land	965,164	-	30,590	-	-	995,754

Housing Authority of the City of Alexandria (LA023)

Alexandria, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2019

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	COCC	ELIM	Total Enterprise Fund
162 Buildings	7,797,205	-	280,030	9,001	-	8,086,236
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	133,503	62,163	-	89,588	-	285,254
165 Leasehold Improvements	-	-	-	-	-	-
166 Accumulated Depreciation	(6,576,943)	(62,163)	(236,905)	(85,568)	-	(6,961,579)
167 Construction in Progress	-	-	-	-	-	-
168 Infrastructure	-	-	-	-	-	-
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 2,318,929</b>	<b>\$ -</b>	<b>\$ 73,715</b>	<b>\$ 13,021</b>	<b>\$ -</b>	<b>\$ 2,405,665</b>
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-	-	-
<b>180 Total Non-Current Assets</b>	<b>\$ 2,318,929</b>	<b>\$ -</b>	<b>\$ 73,715</b>	<b>\$ 13,021</b>	<b>\$ -</b>	<b>\$ 2,405,665</b>
<b>200 Deferred Outflow of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>290 Total Assets and Deferred Outflow of Resources</b>	<b>\$ 3,903,620</b>	<b>\$ 906,430</b>	<b>\$ 1,781,880</b>	<b>\$ 1,158,605</b>	<b>\$ (1,567,658)</b>	<b>\$ 6,182,877</b>
311 Bank Overdraft	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	24,199	7,580	3,983	13,671	-	49,433
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	1,471	-	-	43,935	-	45,406
322 Accrued Compensated Absences - Current Portion	16,581	11,797	-	8,489	-	36,867
324 Accrued Contingency Liability	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	104,111	55,170	-	-	(104,111)	55,170
332 Account Payable - PHA Projects	-	-	-	-	-	-
333 Accounts Payable - Other Government	29,658	20,089	3,890	4,480	-	57,917
341 Tenant Security Deposits	14,851	-	1,600	-	-	16,451

Housing Authority of the City of Alexandria (LA023)

Alexandria, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2019

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	COCC	ELIM	Total Enterprise Fund
342 Unearned Revenue	912	18,138	-	-	-	19,050
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-
345 Other Current Liabilities	3,476	13,618	-	210,300	(210,300)	17,094
346 Accrued Liabilities - Other	-	-	-	-	-	-
347 Inter Program - Due To	-	-	-	1,253,247	(1,253,247)	-
348 Loan Liability - Current	-	-	-	-	-	-
<b>310 Total Current Liabilities</b>	<b>\$ 195,259</b>	<b>\$ 126,392</b>	<b>\$ 9,273</b>	<b>\$ 1,534,122</b>	<b>\$ (1,567,658)</b>	<b>\$ 297,388</b>
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	158,834	-	-	-	158,834
354 Accrued Compensated Absences - Non Current	40,598	28,881	-	20,783	-	90,262
355 Loan Liability - Non Current	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-
<b>350 Total Non-Current Liabilities</b>	<b>\$ 40,598</b>	<b>\$ 187,715</b>	<b>\$ -</b>	<b>\$ 20,783</b>	<b>\$ -</b>	<b>\$ 249,096</b>
<b>300 Total Liabilities</b>	<b>\$ 235,857</b>	<b>\$ 314,107</b>	<b>\$ 9,273</b>	<b>\$ 1,554,905</b>	<b>\$ (1,567,658)</b>	<b>\$ 546,484</b>
<b>400 Deferred Inflow of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
508.4 Net Investment in Capital Assets	2,318,929	-	73,715	13,021	-	2,405,665
511.4 Restricted Net Position	-	412,379	-	-	-	412,379
512.4 Unrestricted Net Position	1,348,834	179,944	1,698,892	(409,321)	-	2,818,349
<b>513 Total Equity - Net Assets / Position</b>	<b>\$ 3,667,763</b>	<b>\$ 592,323</b>	<b>\$ 1,772,607</b>	<b>\$ (396,300)</b>	<b>\$ -</b>	<b>\$ 5,636,393</b>
<b>600 Total Liabilities, Deferred Inflows of Resources and Equity - Net</b>	<b>\$ 3,903,620</b>	<b>\$ 906,430</b>	<b>\$ 1,781,880</b>	<b>\$ 1,158,605</b>	<b>\$ (1,567,658)</b>	<b>\$ 6,182,877</b>

Housing Authority of the City of Alexandria (LA023)

Alexandria, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2019

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	COCC	ELIM	Total Enterprise Fund
70300 Net Tenant Rental Revenue	\$ 145,740	\$ -	\$ 39,590	\$ -	\$ -	\$ 185,330
70400 Tenant Revenue - Other	20,742	-	1,207	-	-	21,949
70500 Total Tenant Revenue	\$ 166,482	\$ -	\$ 40,797	\$ -	\$ -	\$ 207,279
70600 HUD PHA Operating Grants	2,668,518	5,929,770	-	-	-	8,598,288
70610 Capital Grants	33,307	-	-	-	-	33,307
70710 Management Fee	-	-	-	405,784	(405,784)	-
70720 Asset Management Fee	-	-	-	15,400	(15,400)	-
70730 Book Keeping Fee	-	-	-	88,710	(88,710)	-
70740 Front Line Service Fee	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-
70700 Total Fee Revenue	\$ 2,701,825	\$ 5,929,770	\$ -	\$ 509,894	\$ (509,894)	\$ 8,631,595
70800 Other Government Grants	3,000	-	-	-	-	3,000
71100 Investment Income - Unrestricted	-	6,879	3,851	33,558	-	44,288
71200 Mortgage Interest Income	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-
71400 Fraud Recovery	-	2,880	-	-	-	2,880
71500 Other Revenue	92,790	718,506	881,477	401,184	(1,214,504)	879,453
71600 Gain or Loss on Sale of Capital Assets	(8,731,281)	-	-	-	-	(8,731,281)
72000 Investment Income - Restricted	-	-	-	-	-	-
70000 Total Revenue	\$ (5,767,184)	\$ 6,658,035	\$ 926,125	\$ 944,636	\$ (1,724,398)	\$ 1,037,214
91100 Administrative Salaries	150,127	289,363	-	301,689	-	741,179
91200 Auditing Fees	44,728	1,929	500	1,929	-	49,086
91300 Management Fee	273,078	128,040	4,666	-	(405,784)	-
91310 Book-keeping Fee	8,685	80,025	-	-	(88,710)	-
91400 Advertising and Marketing	4,609	432	-	360	-	5,400
91500 Employee Benefit contributions - Administrative	53,576	110,859	-	93,392	-	257,827
91600 Office Expenses	27,065	20,386	-	21,287	-	68,718

Housing Authority of the City of Alexandria (LA023)

Alexandria, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2019

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	COCC	ELIM	Total Enterprise Fund
91700 Legal Expense	6,071	-	922	8,462	-	15,455
91800 Travel	3,740	5,851	-	21,097	-	30,688
91810 Allocated Overhead	-	-	-	-	-	-
91900 Other	300,831	33,996	25	17,402	(149,404)	202,850
<b>91000 Total Operating - Administrative</b>	<b>\$ 872,509</b>	<b>\$ 670,881</b>	<b>\$ 6,113</b>	<b>\$ 465,598</b>	<b>\$ (643,898)</b>	<b>\$ 1,371,203</b>
<b>92000 Asset Management Fee</b>	<b>\$ 15,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (15,400)</b>	<b>\$ -</b>
92100 Tenant Services - Salaries	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-
92400 Tenant Services - Other	8,757	14	367	14	-	9,152
<b>92500 Total Tenant Services</b>	<b>\$ 8,757</b>	<b>\$ 14</b>	<b>\$ 367</b>	<b>\$ 14</b>	<b>\$ -</b>	<b>\$ 9,152</b>
93100 Water	64,868	-	805	-	-	65,673
93200 Electricity	11,374	6,012	1,694	7,155	-	26,235
93300 Gas	1,911	629	188	2,144	-	4,872
93400 Fuel	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-
<b>93000 Total Utilities</b>	<b>\$ 78,153</b>	<b>\$ 6,641</b>	<b>\$ 2,687</b>	<b>\$ 9,299</b>	<b>\$ -</b>	<b>\$ 96,780</b>
94100 Ordinary Maintenance and Operations - Labor	104,598	-	-	-	-	104,598
94200 Ordinary Maintenance and Operations - Materials and Other	24,082	2,063	2,373	205	-	28,723
94300 Ordinary Maintenance and Operations Contracts	175,381	14,987	15,329	21,585	-	227,282
94500 Employee Benefit Contributions - Ordinary Maintenance	30,884	-	-	-	-	30,884
<b>94000 Total Maintenance</b>	<b>\$ 334,945</b>	<b>\$ 17,050</b>	<b>\$ 17,702</b>	<b>\$ 21,790</b>	<b>\$ -</b>	<b>\$ 391,487</b>
95100 Protective Services - Labor	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-

Housing Authority of the City of Alexandria (LA023)

Alexandria, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2019

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	COCC	ELIM	Total Enterprise Fund
95300 Protective Services - Other	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-
<b>95000 Total Protective Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
96110 Property Insurance	65,348	-	2,218	3,055	-	70,621
96120 Liability Insurance	8,970	10,074	449	5,186	-	24,679
96130 Workmen's Compensation	8,845	1,440	-	2,620	-	12,905
96140 All Other Insurance	7,793	1,378	360	1,377	-	10,908
<b>96100 Total insurance Premiums</b>	<b>\$ 90,956</b>	<b>\$ 12,892</b>	<b>\$ 3,027</b>	<b>\$ 12,238</b>	<b>\$ -</b>	<b>\$ 119,113</b>
96200 Other General Expenses	1,565,100	741,985	-	19,648	(1,065,100)	1,261,633
96210 Compensated Absences	7,107	28,792	-	-	-	35,899
96300 Payments in Lieu of Taxes	6,760	-	3,690	-	-	10,450
96400 Bad debt - Tenant Rents	1,556	-	2,774	-	-	4,330
96500 Bad debt - Mortgages	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-
<b>96000 Total Other General Expenses</b>	<b>\$ 1,580,523</b>	<b>\$ 770,777</b>	<b>\$ 6,464</b>	<b>\$ 19,648</b>	<b>\$ (1,065,100)</b>	<b>\$ 1,312,312</b>
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-
<b>96700 Total Interest Expense and Amortization Cost</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>96900 Total Operating Expenses</b>	<b>\$ 2,981,243</b>	<b>\$ 1,478,255</b>	<b>\$ 36,360</b>	<b>\$ 528,587</b>	<b>\$ (1,724,398)</b>	<b>\$ 3,300,047</b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>\$ (8,748,427)</b>	<b>\$ 5,179,780</b>	<b>\$ 889,765</b>	<b>\$ 416,049</b>	<b>\$ -</b>	<b>\$ (2,262,833)</b>
97100 Extraordinary Maintenance	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-

Housing Authority of the City of Alexandria (LA023)  
 Alexandria, LA

**Entity Wide Revenue and Expense Summary**

Fiscal Year

End: 06/30/2019

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	COCC	ELIM	Total Enterprise Fund
97300 Housing Assistance Payments	-	4,845,032	-	-	-	4,845,032
97350 HAP Portability-In	-	-	-	-	-	-
97400 Depreciation Expense	513,978	1,494	7,178	1,582	-	524,232
97500 Fraud Losses	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-
<b>90000 Total Expenses</b>	<b>\$ 3,495,221</b>	<b>\$ 6,324,781</b>	<b>\$ 43,538</b>	<b>\$ 530,169</b>	<b>\$ (1,724,398)</b>	<b>\$ 8,669,311</b>
10010 Operating Transfer In	37,974	-	-	-	(37,974)	-
10020 Operating transfer Out	(37,974)	-	-	-	37,974	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-
<b>10100 Total Other financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>\$ (9,262,405)</b>	<b>\$ 333,254</b>	<b>\$ 882,587</b>	<b>\$ 414,467</b>	<b>\$ -</b>	<b>\$ (7,632,097)</b>
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>11030 Beginning Equity</b>	<b>\$ 12,930,168</b>	<b>\$ 259,069</b>	<b>\$ 890,020</b>	<b>\$ (810,767)</b>	<b>\$ -</b>	<b>\$ 13,268,490</b>
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ 179,944	\$ -	\$ -	\$ -	\$ 179,944
11180 Housing Assistance Payments Equity	\$ -	\$ 412,379	\$ -	\$ -	\$ -	\$ 412,379
11190 Unit Months Available	2,132	16,176	132	-	-	18,440
11210 Number of Unit Months Leased	1,159	9,760	92	-	-	11,010
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	15,950	-	-	-	-	15,950
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	3,669	-	-	-	-	3,669
11650 Leasehold Improvements Purchases	13,688	-	-	-	-	13,688



HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
ALEXANDRIA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2019

**Section I: Summary of Auditor's Results:**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?  Yes  No

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

Yes  None Reported

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

Yes  No

**Federal Awards**

Internal control over major programs:

Are material weaknesses identified?  Yes  No

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

Yes  None Reported

Type of report issued on compliance with requirements applicable to each major program:

Unmodified

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

Yes  No

**Identification of Major Programs**

	<b><u>CFDA No.</u></b>
Public Housing Program	14.850a
Section 8 Housing Choice Voucher Program	14.871
Capital Fund Program	14.872

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Is the auditee identified as a low-risk auditee?  Yes  No

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
ALEXANDRIA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2019

**Section II: Financial Statement Findings:**

**Prior Year Finding:**

**Finding 2018-001 – Insufficient Control Environment**

**Condition and Cause**

The Authority did not have a Board of Commissioners governing the administration of Authority operations from September of 2017 through July of 2018.

**Current Year Status**

The Authority had a Board of Commissioners as of August 2018, and through the date of this Report. This Finding is not restated.

**Current Year Finding:**

None

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
ALEXANDRIA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2019

**Section III: Federal Awards Findings & Questioned Costs:**

**Prior Year Findings:**

**Finding 2018-001 – Internal Control Over Financial Management and Reporting**

Public Housing Program – CFDA No. 14.850a, Section 8 Housing Choice Voucher Program – CFDA No. 14.871, Capital Fund Program – CFDA 14.872; Grant period – Fiscal Year Ended June 30, 2018

See Prior Year Finding 2018-001, under Section II of this Schedule.

**Current Year Finding:**

**Finding 2019-001 – HUD QAD Voucher Management System Validation Review**

Section 8 Housing Choice Voucher Program – CFDA No. 14.871; Grant Period July 1, 2018 through June 30, 2019

Criteria

HUD Notice PIH 2014-05 provides that HUD will, “collect leasing and cost information from Public Housing Authorities (PHAs) through the VMS.” The Department will use VMS data for funding decisions, monitoring, and funding related factors.

Additionally, and in accordance with 24 CFR 982.1589(a), PHA’s must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. Financial and program managers must be accountable to program results and fiscally responsible for their resources. They must be able to provide information that is essential to monitor budgets and operating performance. To meet these needs, internal systems must process, track and provide accurate, timely, internally consistent, and readily accessible information on program activity in the most cost-effective and efficient manner.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
ALEXANDRIA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2019

**Section III: Federal Awards Findings & Questioned Costs (Continued):**

**Current Year Finding (Continued):**

**Finding 2019-001 – HUD QAD Voucher Management System Validation Review (Continued)**

**Condition and Cause**

HUD's Quality Assurance Division (QAD) performed an onsite Housing Choice Voucher Program Voucher Management System (VMS) Validation Review in May of 2019. The Review focused on the reporting period of April 2018 through March of 2019. The Review Report issued on July 15, 2019 contained the following Findings:

**Review Finding 1:** Unit Months Leased (UML) and Housing Assistance Payments (HAP) could not be validated. The source documents provided by the Authority did not offer QAD with a clear audit trail so the UML and HAP could be validated for the period of April 2018 through March 2019.

**Review Finding 2:** The Authority needs to improve its internal controls. The Authority failed to maintain complete and accurate records for the HCV program.

**Questioned Costs**

None noted.

**Effect**

Inaccurate VMS information may impact the PHA financially as it is critical for ensuring correct program funding. VMS data is used for funding decisions, monitoring and funding related factors under the Section Eight Management Assessment Program.

**Recommendation**

We recommend that the Authority implement and execute strengthened controls over VMS reporting procedures.

**Reply**

The Authority will continue to implement and execute strengthened controls over VMS reporting. The Authority's Deputy Director has assumed the responsibility of implementing and executing strengthened controls over VMS reporting and expects the deficiencies which led to this Finding to be resolved by December 31, 2019.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
ALEXANDRIA, LOUISIANA

CORRECTIVE ACTION PLAN

JUNE 30, 2019

**Finding 2019-001 – HUD QAD Voucher Management System Validation Review**

**Corrective Action Plan**

The Authority will continue to implement and execute strengthened controls over VMS reporting. The Authority's Deputy Director has assumed the responsibility of implementing and executing strengthened controls over VMS reporting and expects the deficiencies which led to this Finding to be resolved by December 31, 2019.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA  
ALEXANDRIA, LOUISIANA

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

YEAR ENDED JUNE 30, 2019

**EXPENDITURE PURPOSE**

Salary	<u>\$ 87,913</u>
Benefits - Retirement	<u>9,061</u>
Car Allowance	<u>6,600</u>
Reimbursements	<u>7,045</u>
<b>Total Compensation, Benefits and Other Payments</b>	<b><u><u>\$ 110,619</u></u></b>

Agency Head: Joseph P. Page, Executive Director

Basis of Presentation:

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

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of the Housing Authority of the City of Alexandria, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Housing Authority of the City of Alexandria and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Authority's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

See Addendum A following this Report for a description of the SAUPs.

The associated results and conclusions are as follows:

### **Written Policies and Procedures**

The Authority did have policies which addressed components of Disaster Recovery/Business Continuity and which are itemized in the SAUP's (see Addendum A) including identification of critical data, physical location of back-up data storage, periodic verification, anti-virus protection, timely software updates and identification of necessary personnel and processes.

### **Board**

The Authority did have a Board of Commissioners governing the administration of Authority operations from August of 2018 through the date of this Report. The board met with a quorum monthly and meetings included a review and analysis of monthly financial statements.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Aprio, LLP*

Birmingham, Alabama  
December 12, 2019



## ADDENDUM A

# *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures*

## *Year 3 – Fiscal Years Ending 6/30/2019 through 5/31/2020*

### Procedures

#### *Written Policies and Procedures*

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1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):<sup>1</sup>
  - a) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

#### *Board or Finance Committee*<sup>2</sup>

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board’s enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board’s enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.<sup>3</sup> *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity’s collections during the fiscal period.*

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<sup>1</sup> For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization’s operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

<sup>2</sup> These procedures are not applicable to entities managed by a single elected official, such as sheriff or assessor.

<sup>3</sup> Major funds are defined under GASB standards. The related procedure addresses major funds as a way to verify that boards are provided with financial information necessary to make informed decisions about significant entity operations, including proprietary operations that are not required to be budgeted under the LGBA.