

THE HOUSING AUTHORITY  
OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA  
REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA  
YEAR ENDED SEPTEMBER 30, 2017

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
The Housing Authority of St. John the Baptist Parish  
LaPlace, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of The Housing Authority of St. John the Baptist Parish as of and for the year ended September 30, 2017, 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.

### Auditors' 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 September 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 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.

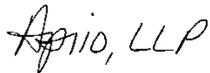
**Other Information**

Our audit was 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 January 31, 2018 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  
March 2, 2018

**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 St. John the Baptist Parish  
LaPlace, 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 year ended September 30, 2017, 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 2, 2018.

**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.

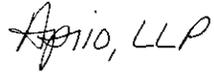
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material 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 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 in cursive script that reads "Aprio, LLP".

Birmingham, Alabama

March 2, 2018

## 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 St. John the Baptist Parish  
LaPlace, Louisiana

### Report on Compliance for the 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 year ended September 30, 2017. The Authority's major federal programs are identified in the Summary of Auditors' 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 of the Major Programs

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 year ended June 30, 2017.

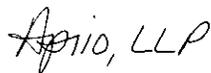
## **Report on Internal Control Over Compliance**

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 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 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 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*. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, *material weaknesses* may exist that have not been identified.

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



Birmingham, Alabama  
March 2, 2018

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

This section of the Authority's annual financial report presents management's analysis of the Authority's financial performance during the fiscal year ended September 30, 2017. The operation of The Housing Authority of St. John the Baptist Parish is comprised of a Low Income Public Housing Program, a Section 8 Housing Choice Vouchers Program and a Resident Opportunity and Supportive Services Program. The Public Housing Program, which also includes a Capital Grant Funding Program, is funded with rental revenue, miscellaneous tenant charges and operating and capital grants from the Department of Housing and Urban Development (HUD). The Section 8 Housing Choice Voucher Program is funded by grants from HUD and HAP reimbursements from other housing authorities. The Resident Opportunity and Supportive Services Program is funded entirely by grants from HUD.

**FINANCIAL HIGHLIGHTS**

1. Total assets exceed total liabilities by	\$3,881,383
2. Unrestricted net position equals	541,988
3. Total revenues decreased by	126,822
4. Total expenses increased by	88,766

**REQUIRED FINANCIAL STATEMENTS**

The Financial Statements of the Authority report information using the Enterprise Fund accounting methods:

- . Statement of Net Position – includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating. This statement was formerly known as a Statement of Net Assets.
  
- . Statement of Revenues, Expenses and Changes in Net Position - provides information as to the current year revenues over expenses. This statement was formerly known as a Statement of Revenues, Expenses and Changes in Net Position.
  
- . Statement of Cash Flows – provides information about net cash provided by, or used for operating activities, non-capital financing activities, capital and related financing activities and from investing activities.

## FINANCIAL ANALYSIS

### CONDENSED STATEMENT OF NET POSITION

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current Assets	\$ 633,709	\$ 664,402	\$ (30,693)
Restricted Assets	484,021	712,205	\$ (228,184)
Capital Assets	2,855,374	2,988,878	(133,504)
Deferred Outflows of Resources	14,212	-	14,212
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 3,987,316</b>	<b>\$ 4,365,485</b>	<b>\$ (378,169)</b>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 90,440	\$ 185,026	\$ (94,586)
Non-current Liabilities	15,493	12,815	2,678
Deferred Inflows of Resources	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 105,933</b>	<b>\$ 197,841</b>	<b>\$ (91,908)</b>
Net Position:			
Net Invested in Capital Assets	\$ 2,855,374	\$ 2,988,878	\$ (133,504)
Restricted Net Position	484,021	712,205	(228,184)
Unrestricted Net Position	541,988	466,561	75,427
<b>Total Net Position</b>	<b>\$ 3,881,383</b>	<b>\$ 4,167,644</b>	<b>\$ (286,261)</b>

As illustrated, in the Condensed Statement of Net Position, the overall net position of the Authority decreased by \$286,261. Restricted assets and net position decreased as restricted cash was utilized to fund housing assistance payments. Depreciation exceeding capital additions accounted for the decrease in capital assets. Current liabilities decreased due mainly to the settlement of a payable due to HUD.

### CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, October 1, 2016	\$ 466,561
Results of Operations	(532,111)
HAP Expense Funded with Restricted Assets	228,184
Investment Income	1,158
Depreciation Expense	378,196
<b>Unrestricted Net Position, September 30, 2017</b>	<b>\$ 541,988</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 change in financial well-being.

## FINANCIAL ANALYSIS (continued)

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

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 239,680	\$ 261,871	\$ (22,191)
Operating Grants	3,488,334	3,461,901	26,433
Capital Grants	244,692	308,696	(64,004)
Interest Income	1,158	1,271	(113)
Other Income	429,458	496,405	(66,947)
	<u>\$ 4,403,322</u>	<u>\$ 4,530,144</u>	<u>\$ (126,822)</u>
Total Revenues			
Expenses:			
Administrative Expenses	\$ 596,841	\$ 596,654	\$ 187
Tenant Services	24,082	52,766	(28,684)
Utilities	292,757	285,240	7,517
Maintenance & Operations	368,075	410,442	(42,367)
General Expense	331,724	353,037	(21,313)
Housing Assistance Payments	2,697,908	2,484,011	213,897
Depreciation	378,196	418,667	(40,471)
	<u>\$ 4,689,583</u>	<u>\$ 4,600,817</u>	<u>\$ 88,766</u>
Total Expenses			
<b>Excess (Deficiency) Revenues Over Expenses</b>	<u><b>\$ (286,261)</b></u>	<u><b>\$ (70,673)</b></u>	<u><b>\$ (215,588)</b></u>

#### REVENUES

In reviewing the Schedule of Revenues, Expenses and Changes in Net Position, you will find that 85% of the Authority's revenue is derived from grants from the Department of Housing and Urban Development, 5% of the Authority's revenue is from dwelling rent, and 10% is from investment and other income.

#### EXPENSES

20% of the Authority's expenses are for tenant services, general and administrative costs; 14% for maintenance and utilities; 8% for depreciation; and 58% for HAP payments.

#### Excess (Deficiency) of Revenues Over Expenses

There was an increase in the deficiency of revenues over expenses. The increase was a result of both a decrease in revenues and an increase in expenses. Capital grant revenue decreased due to reduced modernization and development activity on the Authority's Public Housing sites. Other income decreased due to a reduction of administrative fees recovered from other housing authorities for voucher participants ported-in, and other miscellaneous receipts. Housing assistance payments increased due to an increase in payment standards.

**FINANCIAL ANALYSIS** (continued)

**CAPITAL ASSETS**

As of year-end, the Authority had \$2,855,374 invested in a variety of capital assets as reflected in the following schedule, which represents a 4% decrease (additions, deductions and depreciation) from the end of last year.

	<u>2017</u>	<u>2016</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 171,875	\$ 171,875	\$ -	0%
Buildings & Improvements	9,651,343	9,423,309	228,034	2%
Furniture & Equipment	237,060	219,289	17,771	8%
Construction in Process	587,417	588,530	(1,113)	0%
Accumulated Depreciation	<u>(7,792,321)</u>	<u>(7,414,125)</u>	<u>(378,196)</u>	<u>5%</u>
<b>Net Capital Assets</b>	<b><u>\$ 2,855,374</u></b>	<b><u>\$ 2,988,878</u></b>	<b><u>\$ (133,504)</u></b>	<b><u>-4%</u></b>

The following reconciliation summarizes the change in Capital Assets:

Beginning Balance, October 1, 2016	\$ 2,988,878
Additions:	
Capital Fund Program - Improvements	244,692
Depreciation Expense	<u>(378,196)</u>
<b>Ending Balance, September 30, 2017</b>	<b><u>\$ 2,855,374</u></b>

## **ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS**

Several factors that may affect the financial position of the Authority in the subsequent fiscal year 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

## **CONTACT**

This financial report is designed to provide our residents, the citizens of LaPlace, Louisiana, federal and state regulatory bodies, and any potential creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact Trina Henderson, Executive Director, at 152 Joe Parquet Circle, LaPlace, Louisiana 70068.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2017

ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES

	<u>Enterprise</u> <u>Fund</u>
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 252,555
Accounts Receivable - Grants	236,019
Accounts Receivable - Other	6,729
Tenants Accounts Receivable	1,800
Allowance for Doubtful Accounts	(229)
Prepaid Costs	136,835
Total Current Assets	<u>633,709</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	484,021
Total Restricted Assets	<u>484,021</u>
<u>Capital Assets</u>	
Land	171,875
Buildings and Improvements	9,651,343
Furniture & Equipment	237,060
Construction in Progress	587,417
	<u>10,647,695</u>
(Less): Accumulated Depreciation	<u>(7,792,321)</u>
Net Capital Assets	<u>2,855,374</u>
Total Assets	<u>3,973,104</u>
<u>Deferred Outflows of Resources</u>	
HAP Proceeds due from HUD	14,212
Total Deferred Outflows of Resources	<u>14,212</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,987,316</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2017

LIABILITIES, DEFERRED INFLOWS OF  
 RESOURCES AND NET POSITION

	<b>Enterprise Fund</b>
<u>Current Liabilities</u>	
Accounts Payable	\$ 54,491
Accrued Wages and Payroll Taxes	11,509
Accrued Compensated Absences	15,492
Tenant Security Deposits	8,948
Total Current Liabilities	<u>90,440</u>
<u>Long Term Liabilities</u>	
Accrued Compensated Absences	<u>15,493</u>
Total Long Term Liabilities	<u>15,493</u>
Total Liabilities	<u>105,933</u>
Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>105,933</u>
<u>Net Position</u>	
Net Investment in Capital Assets	2,855,374
Restricted Net Position	484,021
Unrestricted Net Position	541,988
Total Net Position	<u>3,881,383</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,987,316</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Enterprise Fund</u>
<u>Operating Revenues</u>	
Dwelling Rent	\$ 239,680
Operating Grants	3,488,334
Other Revenue	429,458
Total Operating Revenues	<u>4,157,472</u>
<u>Operating Expenses</u>	
Administrative	596,841
Tenant Services	24,082
Utilities	292,757
Maintenance and Operations	368,075
General Expense	331,724
Housing Assistance Payments	2,697,908
Depreciation	378,196
Total Operating Expenses	<u>4,689,583</u>
Operating Income (Loss)	<u>(532,111)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	1,158
Total Non-Operating Rev/(Exp)	<u>1,158</u>
Increase (decrease) before Capital Contributions	<u>(530,953)</u>
Capital Contributions	<u>244,692</u>
Increase (Decrease) in Net Position	(286,261)
Net Position, Beginning	4,167,644
Net Position, Ending	<u>\$ 3,881,383</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<b>Enterprise Fund</b>
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 229,520
Cash Received from Operating Grants	3,268,920
Cash Received from Other Sources	429,584
Cash Payments for Salaries and Benefits	(582,592)
Cash Payments to Vendors and Landlords	(3,708,492)
Excess DHAP Funds Paid to HUD	(89,799)
Net cash provided (used) by operating activities	<u>(452,859)</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	264,592
Capital Outlay	(264,592)
Net cash provided (used) by capital & related financing activities	<u>-</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	1,158
Net cash provided (used) by investing activities	<u>1,158</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(451,701)</b>
Total cash and cash equivalents, beginning of year	<u>1,188,277</u>
<b>Total cash and cash equivalents, end of year</b>	<b><u>\$ 736,576</u></b>
 <u><b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b></u>	
Operating Income (Loss)	\$ (532,111)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	378,196
Bad Debt Expense (Tenants)	9,609
Change in Tenant Accounts Receivable	(10,160)
Change in Accounts Receivable/Payable - Grants	(219,414)
Change in Other Accounts Receivable	2,609
Change in Prepaid Costs	(9,580)
Change in Accounts Payable - Operating	12,952
Change in Accrued Expenses	7,322
Change in Security Deposits Held	(2,483)
Change in Other Liabilities Due to HUD	(89,799)
Net cash provided (used) by operating activities	<u>\$ (452,859)</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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 required 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 applicable pronouncements issued by the Financial Accounting Standards Board.

Cash

The Housing 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 receivables consist of amounts due from HUD for operating grants, and amounts due from other housing authorities for housing assistance payments advanced on their behalf.

Prepaid Items

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

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Property and Equipment

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 has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings and Improvements	40 years
Furniture and Equipment	3 - 7 years

Authority management has assessed the carrying values of capital asset balances as of September 30, 2017, and as of March 2, 2018. No significant capital asset value impairments exist as of the noted dates.

#### Payment-in-Lieu of Taxes

The Authority has entered into a Payment-in-Lieu of Taxes (PILOT) Agreement with St. John the Baptist Parish whereby the Authority agrees to pay a negotiated sum in lieu of real property taxes. Fiscal year 2017 PILOT expense was \$3,515 and the Authority owed the Parish PILOT payments of \$3,515 as of September 30, 2017.

#### 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.

#### Revenue Accounting Policies

Dwelling rent income, HUD grants recognized for operations, and other miscellaneous income are reported as operating income. HUD grants received to fund capital asset expenditures 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.

#### Cost Allocation

The Authority allocates indirect costs to programs on the basis of one of the following methods: direct salaries and wages, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed or the allotment stipulated in contractual agreements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The Mayor appoints 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 has no component units. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

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 Housing Authority's cash and cash equivalents consist of cash held in three interest bearing checking accounts and one non-interest bearing checking account, yielding up to .15% and totaling \$736,376. The remaining \$200 is held in the form of petty cash or change fund. Deposits with financial institutions are secured as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Collateralized with specific securities in the Authority's name which are held by the financial institution	486,376	558,407
	<u>\$ 736,376</u>	<u>\$ 808,407</u>

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of the fiscal year end as follows:

<u>Type of Commitment:</u>	
Renovations/ Modernizations	\$ 138,923
Professional and Administrative	234,452
Total Outstanding Contractual Commitments	<u>\$ 373,375</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

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; error 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.

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 – SIGNIFICANT ESTIMATES

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. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE H – ACCRUED COMPENSATED ABSENCES

It is the Housing Authority’s policy to permit employees, depending on tenure, to accumulate earned but unused vacation and sick leave. Upon separation from employment after one year of service, an employee is entitled to receive pay for accrued vacation up to a specified maximum. Leave accrued but not yet paid as of September 30, 2017 is reported as a liability allocated between current and non-current.

	Balance October 1, <u>2016</u>	<u>Increase</u>	<u>Decrease</u>	Balance September 1, <u>2017</u>	Due Within <u>One Year</u>
Accrued Compensated Absences	\$ 25,630	30,985	25,630	\$ 30,985	\$ 15,492
Less: Current portion	<u>(12,815)</u>			<u>(15,492)</u>	
<b>Total Long-Term Liabilities</b>	<b><u>\$ 12,815</u></b>			<b><u>\$ 15,493</u></b>	<b><u>\$ -</u></b>

NOTE I - PENSION PLAN

The Housing Authority contributes to a defined contribution pension plan titled The St. John the Baptist Parish Housing Authority Retirement Plan, administered by a private corporation under contract with the Authority. All full-time employees are eligible for the plan after completing 6 months employment with the Authority. The Authority contributes 7.5% of each participating employee’s base salary to the plan. Employer contributions to the plan for participating employees, for the year ended September 30, 2017 were \$22,059. Employee contributions are equal to 5% of each participating employee’s base salary. Employee contributions to the plan for the year ended September 30, 2017 were \$14,723.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – PROPERTY AND EQUIPMENT

Summaries of property and equipment balances and activity are as follows at fiscal year-end:

	<u>PUBLIC HOUSING</u>	<u>HOUSING CHOICE VOUCHERS</u>	<u>TOTAL</u>
Land	\$ 171,875	\$ -	\$ 171,875
Building and Improvements	9,651,343	-	9,651,343
Furniture, Fixtures and Equipment	219,454	17,606	237,060
Construction in Process	587,417	-	587,417
Less Accumulated Depreciation	<u>(7,781,757)</u>	<u>(10,564)</u>	<u>(7,792,321)</u>
<b>Total Property and Equipment</b>	<b><u>\$ 2,848,332</u></b>	<b><u>\$ 7,042</u></b>	<b><u>\$ 2,855,374</u></b>

	October 1, 2016 <u>Balance</u>	<u>Additions</u>	Transfers & <u>Deletions</u>	September 30, 2017 <u>Balance</u>
Land	\$ 171,875	\$ -	\$ -	\$ 171,875
Construction in Process	<u>588,530</u>	<u>244,692</u>	<u>(245,805)</u>	<u>587,417</u>
Total Assets not being depreciated	760,405	244,692	(245,805)	759,292
Buildings and Improvements	9,423,309	-	228,034	9,651,343
Furniture and Equipment	<u>219,289</u>	<u>-</u>	<u>17,771</u>	<u>237,060</u>
Total Property and Equipment	10,403,003	244,692	-	10,647,695
Less Accumulated Depreciation				
Building and Improvements	(7,218,394)	(366,525)	-	(7,584,919)
Furniture and Equipment	<u>(195,731)</u>	<u>(11,671)</u>	<u>-</u>	<u>(207,402)</u>
<b>Net Book Value</b>	<b><u>\$ 2,988,878</u></b>	<b><u>\$ (133,504)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,855,374</u></b>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K – 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 L – RESTRICTED ASSETS AND RESTRICTED NET POSITION

The Authority's restricted assets and net position consist of the following as of the fiscal year-end:

Insurance Proceeds Held for Capital Improvements	<u>\$ 484,021</u>
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NOTE M – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through March 2, 2018, the date the financial statements were available to be issued.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2017

EXPENDITURES

Public Housing Program	
Total CFDA Number 14.850a	<u>\$ 1,059,754</u>
Resident Opportunity and Supportive Services	
Total CFDA Number 14.870	<u>24,161</u>
Housing Choice Vouchers	
Total CFDA Number 14.871	<u>2,253,563</u>
Capital Fund Program	
Total CFDA Number 14.872	<u>395,548</u>
<b>TOTAL HUD EXPENDITURES</b>	<b><u>3,733,026</u></b>
<b>TOTAL FEDERAL EXPENDITURES</b>	<b><u>\$ 3,733,026</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 September 30, 2017. 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.

THE HOUSING AUTHORITY OF ST JOHN THE BAPTIST PARISH  
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM  
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Capital Fund Program LA48R09550111	Capital Fund Program LA48R09550112	Capital Fund Program LA48P09550113
Funds Approved	\$ 15,168	\$ 13,584	\$ 385,982
Funds Expended	15,168	13,584	385,982
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 15,168	\$ 13,584	\$ 385,982
Funds Expended	15,168	13,584	385,982
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Capital Fund Program LA48R09550113	Capital Fund Program LA48P09550114	Capital Fund Program LA48R09550115
Funds Approved	\$ 21,047	\$ 418,200	\$ 8,181
Funds Expended	21,047	418,200	8,181
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 21,047	\$ 418,200	\$ 8,181
Funds Expended	21,047	418,200	8,181
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificates submitted to HUD for approval are in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of St. John the Baptist Parish (LA095)

LAPlace, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	ELIM	Total Enterprise Fund
111 Cash - Unrestricted	\$ 54,718	\$ 188,889	\$ -	\$ -	\$ 243,607
112 Cash - Restricted - Modernization and Development	484,021	-	-	-	484,021
113 Cash - Other Restricted	-	-	-	-	-
114 Cash - Tenant Security Deposits	8,948	-	-	-	8,948
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
<b>100 Total Cash</b>	<b>\$ 547,687</b>	<b>\$ 188,889</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 736,576</b>
121 Accounts Receivable - PHA Projects	-	6,729	-	-	6,729
122 Accounts Receivable - HUD Other Projects	211,858	-	24,161	-	236,019
124 Accounts Receivable - Other Government	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-	-
126 Accounts Receivable - Tenants	1,800	-	-	-	1,800
126.1 Allowance for Doubtful Accounts - Tenants	(229)	-	-	-	(229)
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	-	-	-	-	-
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>\$ 213,429</b>	<b>\$ 6,729</b>	<b>\$ 24,161</b>	<b>\$ -</b>	<b>\$ 244,319</b>
131 Investments - Unrestricted	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-
142 Prepaid Expenses and Other Assets	136,835	-	-	-	136,835
143 Inventories	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-
<b>150 Total Current Assets</b>	<b>\$ 897,951</b>	<b>\$ 195,618</b>	<b>\$ 24,161</b>	<b>\$ -</b>	<b>\$ 1,117,730</b>
161 Land	171,875	-	-	-	171,875
162 Buildings	9,512,151	-	-	-	9,512,151
163 Furniture, Equipment & Machinery - Dwellings	35,199	-	-	-	35,199
164 Furniture, Equipment & Machinery - Administration	184,255	17,606	-	-	201,861
165 Leasehold Improvements	139,192	-	-	-	139,192
166 Accumulated Depreciation	(7,781,757)	(10,564)	-	-	(7,792,321)
167 Construction in Progress	587,417	-	-	-	587,417
168 Infrastructure	-	-	-	-	-
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 2,848,332</b>	<b>\$ 7,042</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,855,374</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>\$ 2,848,332</b>	<b>\$ 7,042</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,855,374</b>
<b>200 Deferred Outflow of Resources</b>	<b>\$ -</b>	<b>\$ 14,212</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,212</b>
<b>290 Total Assets and Deferred Outflow of Resources</b>	<b>\$ 3,746,283</b>	<b>\$ 216,872</b>	<b>\$ 24,161</b>	<b>\$ -</b>	<b>\$ 3,987,316</b>

Housing Authority of St. John the Baptist Parish (LA095)

LAPlace, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	ELIM	Total Enterprise Fund
311 Bank Overdraft	-	-	-	-	-
312 Accounts Payable <= 90 Days	1,112	-	23,032	-	24,144
313 Accounts Payable >90 Days Past Due	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	8,464	1,995	1,050	-	11,509
322 Accrued Compensated Absences - Current Portion	13,897	1,556	39	-	15,492
324 Accrued Contingency Liability	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-
341 Tenant Security Deposits	8,948	-	-	-	8,948
342 Unearned Revenue	-	-	-	-	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-
345 Other Current Liabilities	3,515	-	-	-	3,515
346 Accrued Liabilities - Other	26,832	-	-	-	26,832
347 Inter Program - Due To	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-
<b>310 Total Current Liabilities</b>	<b>\$ 62,768</b>	<b>\$ 3,551</b>	<b>\$ 24,121</b>	<b>\$ -</b>	<b>\$ 90,440</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	-	-	-	-	-
354 Accrued Compensated Absences - Non Current	13,897	1,556	40	-	15,493
355 Loan Liability - Non Current	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-
<b>350 Total Non-Current Liabilities</b>	<b>\$ 13,897</b>	<b>\$ 1,556</b>	<b>\$ 40</b>	<b>\$ -</b>	<b>\$ 15,493</b>
<b>300 Total Liabilities</b>	<b>\$ 76,665</b>	<b>\$ 5,107</b>	<b>\$ 24,161</b>	<b>\$ -</b>	<b>\$ 105,933</b>
<b>400 Deferred Inflow of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
508.4 Net Investment in Capital Assets	2,848,332	7,042	-	-	2,855,374
511.4 Restricted Net Position	484,021	-	-	-	484,021
512.4 Unrestricted Net Position	337,265	204,723	-	-	541,988
<b>513 Total Equity - Net Assets / Position</b>	<b>\$ 3,669,618</b>	<b>\$ 211,765</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,881,383</b>
<b>600 Total Liabilities, Deferred Inflows of Resources and Equity - Net</b>	<b>\$ 3,746,283</b>	<b>\$ 216,872</b>	<b>\$ 24,161</b>	<b>\$ -</b>	<b>\$ 3,987,316</b>

North Little Rock Housing Authority (AR002)

LAPlace, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	ELIM	Total Enterprise Fund
70300 Net Tenant Rental Revenue	\$ 217,087	\$ -	\$ -	\$ -	\$ 217,087
70400 Tenant Revenue - Other	22,593	-	-	-	22,593
<b>70500 Total Tenant Revenue</b>	<b>\$ 239,680</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 239,680</b>
70600 HUD PHA Operating Grants	1,210,610	2,253,563	24,161	-	3,488,334
70610 Capital Grants	244,692	-	-	-	244,692
70710 Management Fee	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-
70750 Other Fees	-	-	-	-	-
<b>70700 Total Fee Revenue</b>	<b>\$ 1,455,302</b>	<b>\$ 2,253,563</b>	<b>\$ 24,161</b>	<b>\$ -</b>	<b>\$ 3,733,026</b>
70800 Other Government Grants	-	-	-	-	-
71100 Investment Income - Unrestricted	591	567	-	-	1,158
71200 Mortgage Interest Income	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-
71500 Other Revenue	7,607	421,851	-	-	429,458
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-
<b>70000 Total Revenue</b>	<b>\$ 1,703,180</b>	<b>\$ 2,675,981</b>	<b>\$ 24,161</b>	<b>\$ -</b>	<b>\$ 4,403,322</b>
91100 Administrative Salaries	162,666	89,449	-	-	252,115
91200 Auditing Fees	10,000	6,500	-	-	16,500
91300 Management Fee	-	-	-	-	-
91310 Book-keeping Fee	-	-	-	-	-
91400 Advertising and Marketing	-	-	-	-	-
91500 Employee Benefit contributions - Administrative	63,264	20,008	-	-	83,272
91600 Office Expenses	26,992	17,014	-	-	44,006
91700 Legal Expense	11,825	-	-	-	11,825
91800 Travel	4,636	456	-	-	5,092
91810 Allocated Overhead	-	-	-	-	-
91900 Other	158,869	25,162	-	-	184,031
<b>91000 Total Operating - Administrative</b>	<b>\$ 438,252</b>	<b>\$ 158,589</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 596,841</b>
<b>92000 Asset Management Fee</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
92100 Tenant Services - Salaries	-	-	20,400	-	20,400
92200 Relocation Costs	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	3,251	-	3,251
92400 Tenant Services - Other	-	-	431	-	431
<b>92500 Total Tenant Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,082</b>	<b>\$ -</b>	<b>\$ 24,082</b>
93100 Water	196,477	-	-	-	196,477
93200 Electricity	25,258	-	-	-	25,258
93300 Gas	71,022	-	-	-	71,022
93400 Fuel	-	-	-	-	-
93500 Labor	-	-	-	-	-
93600 Sewer	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-
<b>93000 Total Utilities</b>	<b>\$ 292,757</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 292,757</b>
94100 Ordinary Maintenance and Operations - Labor	141,895	-	-	-	141,895
94200 Ordinary Maintenance and Operations - Materials and Other	62,560	-	-	-	62,560
94300 Ordinary Maintenance and Operations Contracts	95,934	-	-	-	95,934
94500 Employee Benefit Contributions - Ordinary Maintenance	57,996	-	-	-	57,996

North Little Rock Housing Authority (AR002)

LAPlace, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	ELIM	Total Enterprise Fund
<b>94000 Total Maintenance</b>	\$ 358,385	\$ -	\$ -	\$ -	\$ 358,385
95100 Protective Services - Labor	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-
<b>95000 Total Protective Services</b>	\$ -	\$ -	\$ -	\$ -	\$ -
96110 Property Insurance	248,747	-	-	-	248,747
96120 Liability Insurance	16,029	-	-	-	16,029
96130 Workmen's Compensation	-	23,074	-	-	23,074
96140 All Other Insurance	-	-	-	-	-
<b>96100 Total Insurance Premiums</b>	\$ 264,776	\$ 23,074	\$ -	\$ -	\$ 287,850
96200 Other General Expenses	-	3,280	-	-	3,280
96210 Compensated Absences	27,794	3,112	79	-	30,985
96300 Payments in Lieu of Taxes	-	-	-	-	-
96400 Bad debt - Tenant Rents	9,609	-	-	-	9,609
96500 Bad debt - Mortgages	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-
<b>96000 Total Other General Expenses</b>	\$ 37,403	\$ 6,392	\$ 79	\$ -	\$ 43,874
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>96900 Total Operating Expenses</b>	\$ 1,391,573	\$ 188,055	\$ 24,161	\$ -	\$ 1,603,789
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	\$ 311,607	\$ 2,487,926	\$ -	\$ -	\$ 2,799,533
97100 Extraordinary Maintenance	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	9,690	-	-	-	9,690
97300 Housing Assistance Payments	-	2,307,246	-	-	2,307,246
97350 HAP Portability-In	-	390,662	-	-	390,662
97400 Depreciation Expense	374,675	3,521	-	-	378,196
97500 Fraud Losses	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-
<b>90000 Total Expenses</b>	\$ 1,775,938	\$ 2,889,484	\$ 24,161	\$ -	\$ 4,689,583
10010 Operating Transfer In	83,536	-	-	-	83,536
10020 Operating transfer Out	(83,536)	-	-	-	(83,536)
10030 Operating Transfers from/to Primary Government	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-
<b>10100 Total Other financing Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -	\$ -

North Little Rock Housing Authority (AR002)

LAPlace, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 09/30/2017

	Project Total	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	ELIM	Total Enterprise Fund
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>\$ (72,758)</b>	<b>\$ (213,503)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (286,261)</b>
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -
<b>11030 Beginning Equity</b>	<b>\$ 3,742,376</b>	<b>\$ 425,268</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,167,644</b>
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ 211,765	\$ -	\$ -	\$ 211,765
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	1,910	3,120	-	-	5,030
11210 Number of Unit Months Leased	1,165	3,098	-	-	4,263
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	244,692	-	-	-	244,692
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2017

**Section I: Summary of Auditors' 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:**

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Public Housing Program	14.850a
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

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2017

**Section II: Financial Statement Findings:**

**Prior Year Findings and Questioned Costs:**

None

**Current Year Findings and Questioned Costs:**

None

**Section III: Federal Award Findings and Questioned Costs:**

**Prior Year Findings and Questioned Costs:**

None

**Current Year Findings and Questioned Costs:**

None

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

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

YEAR ENDED SEPTEMBER 30, 2017

EXPENDITURE PURPOSE

Salary	<u>\$ 87,000</u>
Benefits - Insurance	<u>8,940</u>
Benefits - Retirement	<u>4,350</u>
Car Allowance	<u>6,000</u>
Per Diem	<u>578</u>
Registration Fees	<u>1,121</u>
Conference Travel	<u>578</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 108,567</u></u>

Agency Head: Trina Henderson, 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 ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of The Housing Authority of St. John the Baptist Parish and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by The Housing Authority of St. John the Baptist Parish 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 October 1, 2016 through September 30, 2017. 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's Budgeting, Purchasing, Disbursements and Receipts policies were incomplete with respect to the Business Functions described in Addendum A (attached). All other Written Policies and Procedures Business Functions outlined in Addendum A were addressed.

### **Board**

Board meetings were held monthly. Actual-to-budget monthly comparisons were not consistently referenced. However, actual-to-budget comparisons were included in the 'pre-board meeting' itinerary packets that were provided to each board member for review prior to each board meeting. The comparisons included a thorough analysis of variances. The comparisons were only brought up during the meetings when board members had additional questions regarding a specific comparison.

### **Bank Reconciliations**

Bank reconciliations were complete and contained the required approvals.

### **Collections**

The Authority does not accept cash, and accepts non-cash payments at one centralized location. Receipts are deposited, posted and reconciled daily. Entity documentation does not address all controls implemented and executed over collections.

**Disbursements**

Purchases were initiated using a purchase order system and require proper approvals prior to payments. Entity documentation does not address all controls implemented and executed over disbursements.

**Credit Cards**

Statements contained appropriate approvals and charges on statements complied with the credit card policies. \$39 late fee charged on the June 2017 statement. No other interest or late fee charges were noted.

**Travel and Expense Reimbursement**

Travel was for business purposes and was in compliance with the Authority's travel policy and GSA rate requirements. Sufficient documentation was maintained.

**Contracts**

Contracts supported the service arrangements and were in accordance with the Authority's procurement policies and legal requirements. No amendments were noted on the sampled contracts. Applicable invoices were appropriately supported with the required documentation and were in accordance with contract terms.

**Payroll and Personnel**

Checks contained proper pay rates, daily attendance and related payroll taxes and retirement contributions were made timely. The Authority maintains documented leave records and supervisory approvals for leave. No terminations occurred during the Authority's fiscal year.

**Ethics**

The Authority provided evidence of 'compliance documentation' for five out of five employees sampled. No ethics violations were reported during the fiscal year.

**Debt Service**

The Authority does not have any debt.

**Other**

No misappropriated funds were noted during the audit period.

The notice required by R.S. 24:523.1 was appropriately posted on the premises.

See Addendum B following this Report for the Authority's Corrective Action Plan.

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

March 2, 2018

## ADDENDUM A

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

## *Introduction and General Comments*

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The Louisiana Legislative Auditor (LLA) has prescribed statewide agreed-upon procedures (AUPs) below, which are intended to represent a minimum level of additional work to be performed at those local entities (local governments and quasi-public organizations, including nonprofits) that meet the legal requirement to have an audit under the Audit Law. Those local entities that do not meet the legal requirement to have an audit under the Audit Law are exempt from performing these AUPs. State entities that are included in the Comprehensive Annual Financial Report of the State of Louisiana, or local entities subject to Act 774 of 2014 (St. Tammany Parish), are likewise exempt from the AUPs below. **These AUPs will be effective beginning with those entities that have a June 30, 2017, fiscal year end.**

The AUPs are to be performed under the AICPA attest standards, and the AUP report must be attached to the audit report that is submitted to the Legislative Auditor's office (i.e. one Adobe pdf file submitted to the LLA rather than two). The AUPs are required to be performed by the same firm that performs the annual audit; accordingly, a separate "engagement approval form" for the statewide AUP engagement is not required.

The practitioner should consider these AUPs to be "complementary" rather than "additive" as they may duplicate existing audit procedures. For example, if the AUP below indicates that 25 random transactions should be selected and the practitioner would otherwise plan to test 40 random transactions as part of the entity's audit, the practitioner may use 25 of the 40 transactions for both the audit and the AUP engagement. Also, the scope of the procedures applies to the primary reporting entity and is not required to be extended to discretely presented component units of the entity.

All exceptions are to be included in the AUP report with management's responses/corrective actions. Management may either prepare a single overall response to the AUP report or may respond after each procedure.

If the entity employs one or more internal auditors; the practitioner documents reliance upon the internal audit function as part of the entity's audit; and the internal auditor performs one or more of the specific procedures identified below (internal auditor is not required to perform procedures under the attest standards), the practitioner does not have to include those specific procedures as part of the scope of the AUP engagement or in the AUP report. In that situation, the practitioner should perform the remaining AUPs under the attest standards and document in the AUP report. The practitioner must also include a copy of the internal auditor's procedures performed and exceptions noted when submitting the audit report and AUP report to the LLA. In this situation,

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

all three reports should be submitted to the LLA as one Adobe pdf file, and all three reports will be issued by the LLA as public documents.

Please note that the results of the AUPs do not change the practitioner’s separate responsibility to report significant deficiencies, material weaknesses, material noncompliance, etc., as part of the regular audit engagement. However, the practitioner should not include the AUP exceptions or internal auditor’s exceptions (or a reference to the exceptions) in the audit report’s schedule of findings, unless an AUP or internal audit exception rises to the level of a significant deficiency or material weakness and is included as a finding for purposes of the audit.

To avoid creating an undue burden on practitioners, the AUPs may be performed for a 12-month “fiscal period” that does not coincide with the entity’s “fiscal year”, as long as the 12-month fiscal period is no more than 3 months prior to the end of the entity’s fiscal year. For example, the practitioner may perform AUPs for the fiscal period April 1, 2016 through March 31, 2017 for an entity with a fiscal year ending June 30, 2017. All AUPs below will reference fiscal period to mean the 12-months covered by the AUPs.

For nonprofit entities, only those AUPs relevant to public monies (and only to the extent that the AUPs are applicable) are required to be included in the scope of the AUP engagement. For example, if a nonprofit receives \$10 million in non-public funds and also receives \$600,000 in public funds, only the \$600,000 would be subject to these AUPs if the funds are not otherwise commingled. In this example, if the nonprofit did not use the \$600,000 in public funds for payroll or travel expenses, the portions of the AUPs relating to these areas are not required to be included in the scope of the AUP engagement or report.

Additional instructions concerning engagement approvals, report submission protocols, and the availability of forms, examples, and tools related to these procedures will be communicated as they are finalized.

### *Written Policies and Procedures*

---

1. Obtain the entity’s written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

- c) ***Disbursements***, including processing, reviewing, and approving
- d) ***Receipts***, including receiving, recording, and preparing deposits
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

### ***Board (or Finance Committee, if applicable)***

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- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

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

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

### ***Collections***

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

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

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
  - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

### ***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

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8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

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

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

### *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
    - a) For each transaction, report whether the transaction is supported by:
      - An original itemized receipt (i.e., identifies precisely what was purchased)

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

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction’s detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity’s written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management’s representation that the listing or general ledger is complete.
18. Obtain the entity’s written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
  - b) Report whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

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

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### *Contracts*

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management’s representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
    - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
  - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

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- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

### *Payroll and Personnel*

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- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
  - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
  - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

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### ***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

### ***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

### ***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management’s representations in the procedures above, report the nature of each exception.

## ADDENDUM B

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR, STATE-WIDE AGREED-UPON PROCEDURES

CORRECTIVE ACTION PLAN

SEPTEMBER 30, 2017

**Written Policies and Procedures**

The Authority will update its written Revenue and Expenditure Cycle (including Budgeting) policies to include all of its currently implemented and executed control activities and procedures, which include the Business Functions identified in Addendum A.