

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED SEPTEMBER 30, 2017

Mike Estes, P.C.
A Professional Accounting Corporation

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Independent Auditor's Report

Board of Commissioners
Housing Authority of St. Charles Parish
Boutte, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Housing Authority of St. Charles Parish, Louisiana as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of St. Charles Parish, Louisiana basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design and audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of St. Charles Parish, Louisiana, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Also included in Supplementary Information is an Agreed-Upon Procedures report, which reports on an Agreed-Upon Procedures engagement now required by the Louisiana Legislative Auditor. Our opinion is not modified in respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 9 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 general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of St. Charles Parish, Louisiana's basic financial statements. The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, 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 other information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, 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 other information as listed on the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, and other information as listed on the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2018 on our consideration of the Housing Authority of St. Charles Parish, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of St. Charles Parish, Louisiana's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
May 2, 2018

Housing Authority of St Charles Parish, Louisiana

Management's Discussion and Analysis

For the Year Ended September 30, 2017

The Housing Authority of St Charles Parish, Louisiana (the "Authority") management's discussion and analysis report is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

This financial report is designed to provide an overview of the Authority's total financial picture for the fiscal year ending September 30, 2017, for those with an interest. Please read this discussion and analysis in conjunction with the Housing Authority's included audited financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of St Charles Parish, Louisiana, P.O. Box 448, Boutte, LA 70039.

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by \$706,465 during the fiscal year.
- The Authority's operating revenue decreased by \$447,871 during the fiscal year.
- The Authority's operating expenses increased by \$284,803 during the fiscal year.
- At the close of the current fiscal year, the Authority's Assets exceeded its Liabilities by \$2,674,353.
- The Authority administers federal, state and local grants to benefit the low income and elderly citizens of St Charles Parish, Louisiana.

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Authority's net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any authority, the reader must also consider other non-financial factors such as changes in family household composition, fluctuations in the local economy, Department of Housing and Urban Development (HUD) mandated program administrative changes, and the physical condition of capital assets.

Housing Authority of St Charles Parish, Louisiana

Management's Discussion and Analysis

For the Year Ended September 30, 2017

The follow statements are included:

- **Statement of Net Position** - this statement reports the Authority's assets, liabilities and net position at the end of the fiscal year. The reader may consider or view the Authority's net position as the difference between the Authority's rights (assets) and the Authority's obligations (liabilities).
- **Statement of Revenues, Expenses, and Changes in Fund Net Position** - this statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in future periods.
- **Statement of Cash Flows** - this statement presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt service, prior period obligations, etc.). The statement reflects the receipt or disbursement of cash that was obligated to or paid by the Authority in prior periods and subsequently received or paid during the current fiscal year (i.e. receivables and payables).
- **Notes to the Basic Financial Statements** - notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided. These notes provide greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information provides additional detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

Housing Authority of St Charles Parish, Louisiana

Management's Discussion and Analysis

For the Year Ended September 30, 2017

Financial Analysis

Condensed Statement of Net Position

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
Assets			
Current assets	\$ 120,618	\$ 247,526	\$ (126,908)
Restricted assets	156,286	788,850	(632,564)
Capital assets (net)	<u>1,842,995</u>	<u>1,735,864</u>	<u>107,131</u>
Total Assets	<u>2,119,899</u>	<u>2,772,240</u>	<u>(652,341)</u>
Liabilities			
Current liabilities	114,077	63,025	51,052
Tenant security deposits	21,325	20,596	729
Noncurrent liabilities	<u>16,609</u>	<u>14,266</u>	<u>2,343</u>
Total Liabilities	<u>152,011</u>	<u>97,887</u>	<u>54,124</u>
Net Position			
Net Investment in capital assets	1,842,995	1,735,864	107,131
Restricted - HAP Equity	273,420	793,459	(520,039)
Unrestricted	<u>(148,527)</u>	<u>145,030</u>	<u>(293,557)</u>
Total Net Position	<u>1,967,888</u>	<u>2,674,353</u>	<u>(706,465)</u>
Total Liabilities and Net position	<u>\$ 2,119,899</u>	<u>\$ 2,772,240</u>	<u>\$ (652,341)</u>

Current Assets decreased by \$126,908.

Capital Assets increased by \$107,131. This increase is a result of the completion of capital improvements undertaken by the Authority exceeding depreciation expense during the year

Current Liabilities increased by \$51,052 as a result of increased accounts payable to vendors, accrued compensated absences and unearned income FYE 2017 as compared to FYE 2016.

Noncurrent Liabilities increased by \$2,343 as a result of an increase in accrued compensated absences during the year.

Net position - The difference between the Authority's rights (assets) and the Authority's obligations (liabilities) is its net position. Net position is categorized as one of three types.

- Invested in capital assets, net of related debt - capital assets, net of accumulated depreciation and related debt is due to the capital asset and long-term debt activity;

Housing Authority of St Charles Parish, Louisiana

Management's Discussion and Analysis

For the Year Ended September 30, 2017

- **Restricted** - the Authority's net position whose use is subject to constraints imposed by law or agreement consisting primarily of debt service reserves;
- **Unrestricted** - the Authority's net position that are neither invested in capital assets nor restricted which increase principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors.

Condensed Statement of Revenues, Expenses and Changes in Fund Net Position

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
OPERATING REVENUES			
Dwelling rental	\$ 357,230	\$ 311,918	\$ 45,312
Governmental operating grants	1,781,406	2,294,841	(513,435)
Other	<u>62,369</u>	<u>42,117</u>	<u>20,252</u>
Total operating revenues	2,201,005	2,648,876	(447,871)
OPERATING EXPENSES			
Administration	494,984	459,381	35,603
Tenant services	2,450	2,819	(369)
Utilities	242,034	228,212	13,822
Ordinary maintenance & operations	239,456	249,371	(9,915)
General expenses	165,471	152,250	13,221
Depreciation	243,928	238,510	5,418
Extraordinary maintenance	15,475	-	15,475
Housing assistance payments	<u>1,648,580</u>	<u>1,437,032</u>	<u>211,548</u>
Total operating expenses	<u>3,052,378</u>	<u>2,767,575</u>	<u>284,803</u>
Income (Loss) from Operations	(851,373)	(118,699)	(732,674)
Non-Operating Revenues (Expenses):			
Interest earnings	312	418	(106)
Gain (Loss) on sale of capital assets	75	294	(219)
Total Non-Operating Revenues (Expenses)	<u>387</u>	<u>712</u>	<u>(325)</u>
Income (Loss) before contribution	<u>(850,986)</u>	<u>(117,987)</u>	<u>(732,999)</u>
Capital Contributions (grants)	<u>144,521</u>	<u>126,961</u>	<u>17,560</u>
Change in net position	(706,465)	8,974	(715,439)
Total net position – beginning	<u>2,674,353</u>	<u>2,665,379</u>	<u>8,974</u>
Total net position – ending	<u>\$ 1,967,888</u>	<u>\$ 2,674,353</u>	<u>\$ (706,465)</u>

Housing Authority of St Charles Parish, Louisiana

Management's Discussion and Analysis

For the Year Ended September 30, 2017

Operating Revenue decreased by \$447,871 for the 2017 fiscal year. This decrease represents a decrease in governmental operating grants, offset by an increase in dwelling rentals and other revenue.

Operating Expenses are categorized by the Authority as administration, tenant services, utilities, ordinary maintenance & operations, general expenses, depreciation, extraordinary maintenance and housing assistance payments.

Total operating expenses increased by \$284,803. This increase is attributed to increases in administration, utilities, general expenses, depreciation, extraordinary maintenance expense and housing assistance payments, offset by decreases in tenant services and ordinary maintenance & operations, for the 2017 fiscal year.

Administration Expenses increased by \$35,603. Most of the increase is attributable to increases in administrative salaries, administrative employee related expenses, office expense and travel expenses, offset by decreases in legal and other administrative expenses for the 2017 fiscal year.

Ordinary Maintenance and Operations Expense decreased by \$9,915 for the 2017 fiscal year. The decrease is mainly related to decreases in maintenance salaries, materials and maintenance employee related expenses, offset by an increase in contract costs incurred in the continuation of unit turnaround efforts for the 2017 fiscal year.

General Expense increased by \$13,221 for the 2017 fiscal year. Most of this increase is attributable to increases in other general expenses, payments in lieu of taxes and tenant bad debt expense, offset by a decrease in insurance expenses and compensated absences expense.

Extraordinary Maintenance Expense increased by \$15,475. Most of this increase relates to extraordinary costs associated with the necessary removal of trees in the 2017 fiscal year.

Housing assistance payments increased by \$211,548. This increase is attributable to increases in housing assistance payments to landlords and tenants for the 2017 fiscal year.

Non-Operating Revenues decreased by \$325 mainly due to a decrease in interest earnings and gain on sale of fixed assets for the 2017 fiscal year.

Capital Contributions increased by \$17,560 due to an increase in capital grant contributions received during the 2017 fiscal year.

Housing Authority of St Charles Parish, Louisiana

Management's Discussion and Analysis

For the Year Ended September 30, 2017

CAPITAL ASSET AND DEBT ACTIVITY

The Authority's capital assets as of September 30, 2017, amounts to \$1,842,995 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, furniture and equipment, construction in progress and accumulated depreciation. The total increase in the Authority's capital assets for the current fiscal year was \$320,036, -Net of depreciation.

Capital Assets, Net of Accumulated Depreciation

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
Land	\$ 13,028	\$ 13,028	\$ -
Buildings and improvements	8,545,448	8,223,268	322,180
Furniture and equipment	307,202	334,906	(27,704)
Construction in Progress	150,021	124,461	25,560
Accumulated Depreciation	<u>(7,172,704)</u>	<u>(6,959,799)</u>	<u>(212,905)</u>
Total	<u>\$ 1,842,995</u>	<u>\$ 1,735,864</u>	<u>\$ 107,131</u>

Additional information on the Housing Authority of St Charles Parish, Louisiana's capital assets can be found in the notes to the financial statements in this report.

DEBT

Non-current liabilities include accrued annual vacation leave to employees. The Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

FACTORS AFFECTING NEXT YEAR'S BUDGET

The Authority is dependent upon HUD for the funding of its operations; therefore, the Authority is affected more by the federal budget than by local economic conditions.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development and new rules and regulations, which could be unfunded;
- 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 tenant rental income, as well as, the Housing Assistance Payments (HAP) to landlords;
- Natural disasters which can have a devastating impact on the local economy;
- Inflationary pressure on utility rates, supplies and other costs; and
- Unemployment rates which can have an effect on rent.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

	General	Section Eight	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 8,939	\$ 0	\$ 8,939
Accounts receivable net	39,119	1,693	40,812
Prepaid items and other assets	56,499	14,368	70,867
Restricted assets - cash and cash equivalents	21,325	134,961	156,286
	<u>125,882</u>	<u>151,022</u>	<u>276,904</u>
Capital Assets, net			
Land and other non-depreciated assets	163,049	0	163,049
Other capital assets - net of depreciation	1,677,895	2,051	1,679,946
	<u>1,840,944</u>	<u>2,051</u>	<u>1,842,995</u>
Total Assets	<u>\$ 1,966,826</u>	<u>\$ 153,073</u>	<u>\$ 2,119,899</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 80,429	\$ 17,877	\$ 98,306
Unearned income	6,127	0	6,127
Compensated absences payable	6,982	2,662	9,644
Deposits due others	21,325	0	21,325
	<u>114,863</u>	<u>20,539</u>	<u>135,402</u>
Noncurrent Liabilities			
Compensated absences payable	12,657	3,952	16,609
	<u>127,520</u>	<u>24,491</u>	<u>152,011</u>
NET POSITION			
Net investment in capital assets	1,840,944	2,051	1,842,995
Restricted for:			
HAP Equity	0	273,420	273,420
Unrestricted	(1,638)	(146,889)	(148,527)
	<u>1,839,306</u>	<u>\$ 128,582</u>	<u>\$ 1,967,888</u>

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

YEAR ENDED SEPTEMBER 30, 2017

	General	Section Eight	Total
OPERATING REVENUES			
Dwelling rental	\$ 357,230	\$ 0	\$ 357,230
Governmental operating grants	521,117	1,260,289	1,781,406
Other- dwelling income	19,903	0	19,903
Other	24,476	17,990	42,466
Total Operating Revenues	922,726	1,278,279	2,201,005
OPERATING EXPENSES			
Administration	285,882	209,102	494,984
Tenant services	2,450	0	2,450
Utilities	242,034	0	242,034
Ordinary maintenance & operations	239,456	0	239,456
General expenses	130,228	35,243	165,471
Depreciation	242,608	1,320	243,928
Extraordinary maintenance	15,475	0	15,475
Housing assistance payments	0	1,632,556	1,632,556
Housing assistance- Ports In	0	16,024	16,024
Total Operating Expenses	1,158,133	1,894,245	3,052,378
Income (Loss) from Operations	(235,407)	(615,966)	(851,373)
Non Operating Revenues (Expenses)			
Interest earnings	39	273	312
Gain/Loss on disposal of assets	75	0	75
Total Non-Operating Revenues (Expenses)	114	273	387
Income (Loss) before contribution	(235,293)	(615,693)	(850,986)
Capital Contribution	144,521	0	144,521
Change in net position	(90,772)	(615,693)	(706,465)
Total net position - beginning	1,930,078	744,275	2,674,353
Total net position - ending	\$ 1,839,306	\$ 128,582	\$ 1,967,888

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2017

	General	Section Eight	Total
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 347,659	\$ 0	\$ 347,659
Other receipts	67,695	(2,720)	64,975
Federal grants	519,577	1,257,873	1,777,450
Payments to vendors	(513,362)	(106,886)	(620,248)
Payments to employees – net	(328,705)	(125,778)	(454,483)
Payments to private landlords	0	(1,648,580)	(1,648,580)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	92,864	(626,091)	(533,227)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(349,288)	(1,771)	(351,059)
Federal Capital Grants	144,521	0	144,521
Sale of assets	75	0	75
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by capital and related financing activities	(204,692)	(1,771)	(206,463)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	38	274	312
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by investing activities	38	274	312
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(111,790)	(627,588)	(739,378)
CASH AND CASH EQUIVALENTS Beginning of Fiscal Year	142,054	762,549	904,603
	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS End of Fiscal Year	\$ 30,264	\$ 134,961	\$ 165,225
	<u> </u>	<u> </u>	<u> </u>

Continued

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2017

	General	Section Eight	Total
	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (235,407)	\$ (615,966)	\$ (851,373)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	242,608	1,320	243,928
Provision of uncollectible accounts	(3,463)	0	(3,463)
Change in assets and liabilities:			
Receivables	4,851	19,078	23,929
Prepaid items	6,093	(4,737)	1,356
Account payables	59,022	(10,399)	48,623
Accrued leave	(3,333)	5,955	2,622
Deposits due others	729	0	729
Unearned income	422	0	422
Interfund changes	21,342	(21,342)	0
Net cash provided (used) by operations	<u>\$ 92,864</u>	<u>\$ (626,091)</u>	<u>\$ (533,227)</u>

Concluded

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of St. Charles Parish have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor should be appointed by the Parish President of St. Charles Parish.

The Housing Authority has the following units:

PHA Owned Housing	129 Units
Section 8	
Housing Choice Vouchers	373 Vouchers

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of St. Charles Parish since St. Charles Parish appoints a voting majority of the Housing Authority’s governing board. St. Charles Parish is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, St. Charles Parish. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of St. Charles Parish.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program. The Section Eight fund accounts for the Section 8 Housing Choice Voucher program and the remaining \$173,255 from previous HAP funding for a local disaster, resulting from a hurricane.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$165,255. This is comprised of cash and cash equivalents of \$6,127 and restricted assets – cash of \$159,098, on the statement of net position.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15-40 years
Building improvements	15 years
Furniture and equipment	5-7 years

J. UNEARNED INCOME The Housing Authority reports prepaid revenues on its statement of net position. Prepaid revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for prepaid revenue is removed from the statement of net position and the revenue is recognized.

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

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

M. NET POSITION AND FLOW ASSUMPTIONS Net position is reported as restricted when constraints placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Sometime the Authority may fund outlays from both restricted and unrestricted resources. In the event that should occur, the Authority must make a flow assumption about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2017. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Cash of \$21,325 is restricted in the General Fund security deposits. The entire cash balance of \$134,961 is restricted in the Section Eight Fund for HAP Equity. There is a deficiency of cash to meet the required restricted amount. See Audit Finding 2017-001.

At September 30, 2017, the Housing Authority's carrying amount of deposits was \$165,225, which does not include an overdraft in the General Fund of \$8,460, which is reflected in accounts payable in the financial statements. The entire bank balance was covered by FDIC insurance.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2017, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Section Eight</u>	<u>Total</u>
Local sources:			
Tenants	\$ 1,815	\$ 1,505	\$ 3,320
Other	368	188	556
Federal sources:			
Grants	36,936	0	36,936
Total	<u>\$ 39,119</u>	<u>\$ 1,693</u>	<u>\$ 40,812</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$465.

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets				
Land and buildings	\$ 13,028	\$ 0	\$ 0	\$ 13,028
Construction in progress	124,461	25,560	0	150,021
Depreciable assets:				
Buildings	8,223,268	322,180	0	8,545,448
Furniture and equipment	334,906	3,319	31,023	307,202
Total capital assets	<u>8,695,663</u>	<u>351,059</u>	<u>31,023</u>	<u>9,015,699</u>
Less: accumulated depreciation				
Buildings	6,655,809	223,686	0	6,879,495
Furniture and equipment	303,990	20,242	31,023	293,209
Total accumulated depreciation	<u>6,959,799</u>	<u>243,928</u>	<u>31,023</u>	<u>7,172,704</u>
Total capital assets, net	<u>\$ 1,735,864</u>	<u>\$ 107,131</u>	<u>\$ 0</u>	<u>\$ 1,842,995</u>

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

NOTE 5 – ACCOUNTS PAYABLE The payables at September 30, 2017 are as follows:

	General	Section Eight	Total
Vendors	\$ 49,955	\$ 10,758	\$ 60,713
Payroll taxes & Retirement withheld	7,718	2,720	10,438
HUD	0	4,399	4,399
Utilities	14,296	0	14,296
Bank Overdraft	8,460	0	8,460
Total	\$ 80,429	\$ 17,877	\$ 98,306

NOTE 6 – COMPENSATED ABSENCES At September 30, 2017, employees of the Housing Authority have accumulated and vested \$26,523 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 7 – LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended September 30, 2017.

	Compensated Absences
Balance, beginning	\$ 23,631
Additions	11,414
Deletions	8,792
Balance, ending	26,253
Amounts due in one year	\$ 9,644

NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES At September 30, 2017, the General Fund owes the Section Eight Fund \$6,186. For financial statement purposes, this amount was deducted from Section Eight Fund cash and added to General Fund cash.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

NOTE 9 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Agency Retirement Trust (HART), which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan on the first day of the month after completing six continuous months of employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant may contribute up to 5% of their effective compensation, and the Authority matches the employee's contribution, and then contributes an additional 2%.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the HART may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$11,380 for the year ended September 30, 2017, of which \$7,072 was paid by the Housing Authority and \$4,308 was paid by employees. No payments were made out of the forfeiture account.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at September 30, 2017. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 11 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$1,925,927 to the Housing Authority, which represents approximately 82% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 12 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, May 2, 2018, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.



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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*

Independent Auditor's Report

Housing Authority of St. Charles Parish
Boutte, Louisiana

We have audited, 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, the financial statements of each major fund of the Housing Authority of St. Charles Parish, Louisiana, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of St. Charles Parish, Louisiana's basic financial statements, and have issued our report thereon dated May 2, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of St. Charles Parish, Louisiana'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of St. Charles Parish, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of St. Charles Parish, Louisiana's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of St. Charles Parish, Louisiana'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 instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Audit Findings 2017-001,002,003, and 004.

Response to Finding

The Housing Authority of St. Charles Parish, Louisiana's response to the findings identified in our audit are described in the accompanying Corrective Action Plan. The Housing Authority of St. Charles Parish, Louisiana's response was not subjected to the auditing procedure applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
May 2, 2018



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Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Housing Authority of St. Charles Parish
Boutte, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of St. Charles Parish, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of St. Charles Parish, Louisiana's major federal programs for the year ended September 30, 2017. The Housing Authority of St. Charles Parish, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinions on Section Eight Housing Choice Voucher Program

As described in the accompanying schedule of findings and questioned costs, the Housing Authority of St. Charles Parish, Louisiana did not comply with the requirements regarding the Section Eight Housing Choice Voucher Program as described in the Audit Finding 2017 – 001 for Allowable Costs.

Qualified Opinions on Section Eight Housing Choice Voucher Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions paragraph, the Housing Authority of St. Charles Parish, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Section Eight Housing Choice Voucher Program for the year ended September 30, 2017.

Other Matters

The Housing Authority of St. Charles Parish, Louisiana's response to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan. The Housing Authority of St. Charles Parish, Louisiana's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Housing Authority of St. Charles Parish, Louisiana 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 Housing Authority of St. Charles Parish, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of St. Charles Parish, Louisiana's internal control over compliance.

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

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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as audit findings 2017-001 to be a material weakness.

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 charges with governance. We did not note any significant deficiencies in internal control.

The Housing Authority of St. Charles Parish, Louisiana's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The Housing Authority of St. Charles Parish, Louisiana's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Housing Authority of St. Charles Parish, Louisiana as of and for the year ended September 30, 2017, and have issued our report thereon dated March 21, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
May 2, 2018

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2017

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 521,117
Capital Fund Program	14.872	144,521
Housing Choice Voucher	14.871	1,260,289
Total United States Department of Housing and Urban Development		\$ 1,925,927
Total Expenditures of Federal Awards		\$ 1,925,927

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of St. Charles Parish, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended September 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing 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 allowable or are limited as to reimbursement. The Housing Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 1,781,406
Capital contributions	144,521
	1,925,927
Total	\$ 1,925,927

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2017

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified.
2. Internal Control Over Financial Reporting:
 - a. Material weakness(es) identified? yes ✓ no
 - b. Significant deficiency(ies) identified? yes ✓ none reported
3. Noncompliance material to financial statements noted? ✓ yes no

Audit of Federal Awards

1. Internal Control Over Major Programs:
 - a. Material weakness(es) identified? ✓ yes no
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? yes ✓ none reported
2. Type of Auditor’s Report Issued on Compliance For Major Programs – Modified.
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ✓ yes no
4. The programs tested as major programs include:

CFDA# 14.871 Section 8 Housing Choice Voucher
5. Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000
6. Auditee qualified as low-risk auditee? yes ✓ no
7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2016

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Section Eight Housing Fund – CFDA #14.871

Finding 2017– 001 – Insufficient Restricted Cash and Deficit in Unrestricted Net Position – Allowable Costs

Criteria and Condition

The Restricted Net Position balance at September 30, 2017 was \$273,420. \$173,255 of remaining funds from the DHAP Katrina program, presently reserved for future HUD-designated disaster programs, comprises part of this amount. \$100,165 was the balance of the Housing Choice Voucher Program. The total restricted cash was \$134,961 with the \$138,459 shortage of cash related to the total reserved balance existing in the Housing Choice Voucher Program (\$273,420 less \$134,961).

In addition, the Unrestricted Net Position was a deficit of \$146,889. This balance should not show a deficit. The General Fund reflects a deficit of \$1,638. While this amount is immaterial, this General Fund account should also not be a deficit.

In addition, the Section Eight Fund owes the General Fund \$8,460 at year-end.

A significant issue that arose this year is that the Housing Choice Voucher Fund has utilized all of the remaining \$173,255 of cash left with the DHAP-Katrina Fund. This money is only supposed to be used for designated disaster programs.

Context

Cash and investments should be at least equal to the Restricted Net Position. The latter is the amount reserved for payment of Housing Assistance Payments (HAP), per the funding from HUD through the end of the fiscal year.

In regards to the Unrestricted Net Position, when a surplus (positive), is the remaining amount that can be paid for non-HAP, administrative expenses. When the number is a deficit (negative), this means that administrative expenses have been paid from funds designated by HUD funding to be used for only HAP payments.

Only small interfund receivables – payable that can be and preferably are zeroed out each month are allowed.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2016

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Effect

The PHA did not have sufficient cash on hand at year-end to pay its obligation for HAP payments, when the DHAP-Katrina remaining funds of \$173,255 is not considered. In addition, the PHA had paid cumulatively to date, September 30, 2017, \$146,889 more for administrative expenses from funds not designated for administrative expenses, but instead from funds designated by HUD funding for HAP payments, including in essence also incorrectly borrowing from the \$173,255 remaining cash of the DHAP-Katrina Fund.

Cause

The bottom line answer for the deficit of \$146,889 in Unrestricted Equity is that the Authority spent more for Administrative Costs [all costs other than Housing Assistance Payments] than HUD allowed the Authority by HUD formula and drawdowns. It appears too many personnel and contractors have been utilized by the Housing Choice Voucher Program recently, especially compared to Authorities with comparable sized programs.

In years prior to year ended September 30, 2015, part of the reason for the creation of the deficit was that the Authority was under-issued on its vouchers. The funding for administrative increases or decreases rise or fall with the number of issued vouchers. Prior to fiscal year ended 2015, the Authority dealt with a large number of Ports, which increase administrative time, but without funding. Beginning in the year ended September 2016, many of the Ports were absorbed, which somewhat improved the administrative funding, but not enough to offset the administrative costs.

Administrative costs for the Section Eight Program increased from \$130,254 for the fiscal year ended 2016 to \$209,102 for the year ended September 30, 2017.

In regards to the shortage of cash compared to what is required, HUD is holding reserves of approximately \$438,818 as of September 30, 2017. HUD did not advance any HAP funds to the Authority for the months of July, August or September 2017.

Questioned Costs

None.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2016

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Recommendation

The Authority currently has an opening for an Executive Director [E.D.]. In our opinion, the Board should hire an E.D. that has recently been either a Manager of a Section Eight or a Low Rent Program, [preferably Section Eight]. The prospective E.D. should be capable of performing tenant file functions for at least one of the programs, preferably both. Ideally the new E.D. should at least perform and document quality control reviews on both programs, and if necessary due to illness or extended absence of a front-line employee, capable of doing the detailed waiting list and tenant file functions.

Of great help also is if the new E.D. has maintenance experience, and has sufficient knowledge to discuss maintenance and rehab issues with PHA personnel, contractors, architects, and the Board.

In our opinion, this Authority is too small to retain an Executive Director that is strictly an overseer and delegator. In most small PHAs, the E.D. has to possess all of the above experience traits. Considering this, we believe an Authority such as this, approaching medium-sized, should hire someone that possesses these attributes.

Duties and positions should be evaluated. Non-essential personnel should not be retained.

Views of Responsible Officials and Planned Corrective Actions

I am Leala Jackson, Program Manager [or name of board member and position] and Designated Person to answer these audit findings. The Board of Commissioners will strongly consider the above recommendation.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2016

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

General Fund-Low Rent Program-CDFA #14.850

Finding 2017-002-Excessive Costs in Low Rent Program

Criteria and Condition

It appears the Administrative and Maintenance Salaries were excessive for the Low Rent Program.

Context

This Authority manages 129 units. For the audit year, Administrative and Maintenance Salaries were \$161,974 and \$85,144, respectively. This is more than for comparable sized PHAs that we regularly audit. For example one Louisiana PHA that we recently audited with 134 units had Administrative and Maintenance Salaries of \$122,619 and \$74,632. The issue is more the number of personnel, especially for Maintenance, than the salaries themselves [however, see Audit Finding 2017-003].

For the audit year, the Authority also contracted rehabilitation work to outside contractors. We are not in position to judge whether the Authority staff had the time and expertise to perform any or all of the work contracted out. But, this is another factor that impacts the consideration of whether the optimum number of Maintenance personnel were used.

Cause

Unknown.

Questioned Costs

None

Recommendation

In our opinion, the Board should survey Authorities of comparable size and establish salaries for the future unclassified [Civil Service] employees, and peg the number of Maintenance employees to those of other sized Authorities.

View of Responsible Officials and Planned Corrective Action

The Board will strongly consider the auditor's suggestions.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2016

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

General Fund-Low Rent Program-CDFA #14.850

Finding 2017-003-Unauthorized Salaries

Criteria and Condition

Three employees governed by Civil Service were given pay raises without performing all the steps required by Civil Service.

Context

The Louisiana State Civil Service conducted a payroll audit. Various issues were noted with three employees that were given pay raises during the audit year. The most significant was the pay raises given were not permitted, considering the factors used by Civil Service.

Cause

It appears that Management did not review the procedures and requisites required by Civil Service in sufficient detail.

Recommendation

New Management or someone designated by the Board might consult with Civil Service to see if there is some steps that could be taken to keep the three salaries where they presently are, if this is the Board's intention. Short of that, it appears that the raises need to be withdrawn, and the salaries of the three individuals be returned to where they were, before the raises.

Views of Responsible Officials and Planned Corrective Action

We will do as the auditor suggests.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2016

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

All Programs

Finding 2017-004- Late Filing With the Louisiana Legislative Auditor

Criteria and Condition

State law requires that the annual audit report be filed no later than six months after fiscal year end with the Louisiana Legislative Auditor.

Context

The audit report was not filed by the due date.

Cause

In late October 2017, we the auditor, sent a list of items to the Authority that we needed before we could timely plan and perform the audit. While we always prefer to receive this information as soon as possible, often we do not receive this until roughly January for September year-ends. We could have timely completed the audit if the requested information had been received in January, or even February. However, only some of the requested information only arrived shortly before the approaching March 31st deadline, and some of the information was not received until after March 31st.

The Executive Director, normally responsible for making sure we receive the requested information, was terminated early in 2018. The remaining employees had several tasks to address, in addition to working with the auditor.

Effect

State law was not complied with. In addition, any recommendations in this audit could not be made on a timely basis.

Questioned Costs

None

Recommendation

The audit process should be timely started and finished.

Views of Responsible Officials and Planned Corrective Action

We will timely submit the audit report in the future.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2017

Section III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):

Audit finding 2017-001 also applies here.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2017

See Views of Responsible Officials and Planned Corrective Actions in the Schedule of Findings and Questioned Costs on pages 33-38.

SEE MANAGEMENT LETTER ON NEXT PAGE

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF MANAGEMENT LETTER ITEMS

YEAR ENDED SEPTEMBER 30, 2017

To Management and the Board of Commissioners:

In planning and performing our audit of the financial statements of the Housing Authority of St. Charles Parish for the year ended September 30, 2017, we considered the Authority's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal controls.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum contained in this letter summarizes our comments and suggestions regarding those matters. (We have also reported on the Authority's internal control in our report dated May 2, 2018.) This letter does not affect our report dated May 2, 2018 on the financial statements of the Housing Authority of St. Charles Parish.

The status of these comments will be reviewed during the next audit engagement. We have already discussed these comments and suggestions with various authority personnel, and we will be pleased to discuss them in further detail at your convenience, to perform additional study of these matters, or to assist you in implementing the recommendations.

Our recommendations are as follows:

M1-Use of Personal Computer

The former Executive Director performed Authority related assignments on a personal computer. We note that current Authority personnel assert the former Executive Director has furnished almost all, if not all, written work products requested of him. However, a preferable practice is that an Authority computer be used for Authority business. In this way, written records and documents will be maintained on the Authority's information system.

M2-Capital Fund Documentation

Written monitoring reports were not available on the progress on the rehabilitation work. Based on our dealings with the former Executive Director, we believe the monitoring was done, but not documented in writing. Also, current Maintenance personnel assert that the monitoring was done, as to noted problems, proper specs, delays, etc. We note that federal regulations require that monitoring be done of capital and rehab projects, and that the documentation be kept in writing.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF MANAGEMENT LETTER ITEMS

YEAR ENDED SEPTEMBER 30, 2017

M3-Time Cards

Everyone punches time cards, except two unclassified [Non-Civil Service] personnel. However, neither the employee nor a supervisor signs the cards.

Each employee should sign their time card for each payroll period. A supervisor should also review and sign each card. If an employee forgets to punch in or out, as soon as possible, this should be brought to the attention of the supervisor. If the latter agrees that an oversight occurred, the supervisor should sign for the missed punch-in or out.

Also, the Executive Director and any other employees that do not punch time cards should keep sheets that document the total hours worked each day. These records should be signed by the employee and either another employee or Board member.

Views of Responsible Officials and Planned Corrective Response

We will follow the auditor's suggestions for the above.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2017

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Section Eight Housing Fund – CFDA #14.871 and General Fund – CFDA #14.850

Finding 2016– 001 – Insufficient Restricted Cash and Deficit in Unrestricted Net Position – Allowable Costs

Criteria and Condition

The Restricted Net Position balance at September 30, 2016 was \$793,459. \$173,255 of remaining funds from the DHAP Katrina program, presently reserved for future HUD-designated disaster programs, composes part of this amount. \$620,204 was the balance of the Housing Choice Voucher Program. The total restricted cash was \$762,549 with the \$30,910 shortage of cash related to the total reserved balance existing in the Housing Choice Voucher Program.

In addition, the Unrestricted Net Position was a deficit of \$50,785. This balance should not show a deficit.

In addition, the Section Eight Fund owes the General Fund \$21,342 at year-end.

Recommendation

Management should continue their efforts to issue more vouchers and control administrative costs. The interfund should be reduced to an immaterial amount if not paid off entirely at the first of each month.

Current Status

This finding is repeated in the current audit.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2017

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Section Eight Housing Fund – CFDA #14.871

Finding 2016– 002 – Supervisory Review of Tenant Files was Inadequate – Special Tests

Criteria and Condition

In our review of tenant files, we noted errors in the computation of the family’s contribution or portion of their rent owed to the Section Eight landlord. CFR 982.508 states that at the time the Authority approves a tenancy for initial occupancy, and the calculated gross rent exceeds the payment standard, the family share must not exceed 40% of the family’s adjusted monthly income.

In addition, at the time of initial lease up (also in certain other situations), the Authority is required to perform and document rent reasonableness, in accordance with federal regulations. We also noted exceptions to this in our tests.

Recommendation

Edit flags should be paid attention to. Hand calculations of the HAP and related amounts should be done and kept for third party review. Rent reasonableness tests should be documented whenever necessary.

Quality control procedures should be improved to check for the above.

Current Status

This finding is not repeated in the current audit.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED SEPTEMBER 30, 2017

	2014 Capital Fund	2015 Capital Fund
	<u> </u>	<u> </u>
Funds approved	\$ 79,445	\$ 137,897
Funds expended	79,445	137,897
Excess of funds approved	<u>\$ 0</u>	<u>\$ 0</u>
Funds advanced	\$ 79,445	\$ 137,897
Funds expended	79,445	137,897
Excess (Deficiency) of funds advanced	<u>\$ 0</u>	<u>\$ 0</u>

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statements of Modernization Costs, both dated March 15, 2017, accompanying the Actual Modernization Costs Certificates submitted to HUD for approval are in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED SEPTEMBER 30, 2017

CASH BASIS

	2016 Capital Fund	2017 Capital Fund	
	<u> </u>	<u> </u>	
Funds approved	\$ 144,521	\$ 149,540	
Funds expended	0	0	
Excess of funds approved	<u>\$ 144,521</u>	<u>\$ 149,540</u>	
Funds advanced	\$ 108,292	\$ 0	
Funds expended	144,521	0	
Excess (Deficiency) of funds	<u>\$ (36,229)</u>	<u>\$ 0</u>	

See accountant's report

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
 OR CHIEF EXECUTIVE DIRECTOR

YEAR ENDED SEPTEMBER 30, 2017

Agency Head Name: Benjamin Bell, Executive Director

Purpose	Amount
Salary	\$ 80,794
Benefits-insurance	
Benefits-retirement	
Benefits-<list any other here>	
Car allowance	
Vehicle provided by government	<enter amount reported on W-2>
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	\$ 80,794

See accountant's report



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and the
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AUDIT QUALITY CENTER

AGREED UPON PROCEDURES REPORT

Independent Accountant’s Report On Applying Agreed-Upon Procedures

To the Board of Directors of the St. Charles Parish Housing Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the St. Charles Parish Housing Authority 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 St. Charles Parish Housing 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.

The procedures and associated findings are as follows:

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.
 - 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.

Results of Testing:

- a) Policies-The Authority has policies for Disbursements, Personnel, Credit Cards, Travel and Expense Reimbursement, and Ethics. In addition, the Authority has other policies, many of which are required by HUD. We have directed Management to the policies listed under the Best Practices on the LLA's website. In addition, we have provided examples of all the policies listed above.

We recommend to Management that they revise the policies they presently have or adopt new ones, to fully comply with state law. The policies need to be revised to the Authority's particular situation.

- b) Budgeting-We also note that since the expenditures per the audit year exceeded \$500,000, a notice should have been posted and also published in a local publication at least ten days before a public hearing to adopt the annual operating budget. It does not appear this was done.

Corrective Action Response:

I am Leala Jackson, Program Manager and Designated Person to respond to these AUP suggestions. We will do as the auditor suggests.

Board

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.

Results of Testing:

- a) The Authority met as often as needed to comply with state law and its governing document.
- b) The minutes did not note that budget-to-actual comparisons were made, although the minutes indicate that the Board reviewed financial statements. The minutes should note that these comparisons are made at each meeting.
- c) The minutes included non-budgetary information at each meeting.

Corrective Action Response:

We will perform the comparisons noted in (b) above and document them in the minutes.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results of Testing:

We received Management's representations that the list 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.

Results of Testing:

- a) Bank reconciliations were prepared on a monthly basis.
- 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.
- c) There were no disbursements over sixty days or older at year end.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results of Testing:

We obtained Management's representations that the list 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:
 - 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.

Results of Testing:

- a) The employees that accept tenant deposits are bonded. The persons that accept payments do not make the bank deposits or reconcile the bank account.
- b) Written documentation exists that there is a process to reconcile cash collections to the general ledger and rental register by a person who is not responsible for cash collections.
- c) For our test period, all tenant receipts were deposited within one business day of collection. For our test period, the rental receipts, rental register, bank statement, and general ledger were satisfactorily reconciled.

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.

Results of Testing:

Management has a written procedure that defines how to determine the completeness of collections, including electronic transfers by a person not responsible for collections.

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

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.

Results of Testing:

We obtained Management's representations that the list 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.

Results of Testing:

- a) Purchase orders were used.
- b) Purchase orders were approved by a person who did not initiate the purchase.
- c) It appears no one is presently checking all of the individual charges per the monthly statements to the individual purchase orders. This should be done.

Corrective Action Response:

We will begin checking all individual charges per the monthly statements to the purchase orders, for those expenditures for which purchase orders are applicable.

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.

Results of Testing:

There was no documentation in writing that the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing system, although the Executive Director reviews all vendors.

Corrective Action Response:

Language requiring the Executive Director's approval is included in the Purchasing, Disbursements and Contracting Policy that we will soon adopt.

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.

Results of Testing:

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.

Results of Testing:

The supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority.

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.

Results of Testing:

Neither a signature stamp or signature machine is used.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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.

Results of Testing:

Management represented that the list is complete. The Authority only utilized a gas card.

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.

Results of Testing:

- a) The monthly statements tested did not have documentation that the charges for gasoline were checked [only one card is used by the Authority, and this is for gasoline for Authority vehicles]. However, one employee maintains she checks in detail each charge on the card.
- b) No finance charges and/or late fees were assessed on the statements tested.

We recommend that there be some type of documentation on the statement detail-perhaps tick marks besides the charge, that the mileage for the vehicle was reviewed. In addition, the employee checking should initial or sign the detail.

Corrective Action Response:

We will comply with the auditor's suggestions.

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)
 - 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.

Results of Testing:

As noted in #15 above, only a gasoline card was used.

Travel and Expense Reimbursement

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.

Results of Testing:

Management represented that the list 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) and report any amounts that exceed GSA rates.

Results of Testing:

The Travel Policy states that the per diem reimbursement rate is \$50 per day. This is likely an insignificant difference to the per diem rate at www.gsa.gov.

The Authority should consider revising the rate per diem from \$50 per day to the listed at www.gsa.gov, as per date and location.

Corrective Action Response:

We will do as the auditor suggests.

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.]
 - 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)

- b) 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.
- c) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Testing:

- a) Travel expenses were in compliance with written policies.
- b) Travel expenses were well documented.
- c) The expense documentation was reviewed by someone other than the person receiving reimbursement.

Contracts

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.

Results of Testing:

Management represented that the list was 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.
- 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).

Results of Testing:

- a) Written contracts supported the amounts paid for the three contractors that were in the top five vendors.
- b) Bids were solicited and obtained for the three awards for contractors used in the Capital Funding.
- c) The contracts were not amended.
- d) The invoices tested were in terms and conditions of the contracts.
- e) Board approval was obtained where necessary.

Two of the top five vendors were for routine maintenance supplies needed almost on a daily basis. While it may not be possible to obtain quotes for everything, we recommend that the Authority anticipate some of the larger expenditures. For those, Management should either obtain other quotes or secure and document quotes from the internet, catalogs, etc. This will show that the prices are reasonable and in line with other vendor prices.

Corrective Action Response:

We will do as the auditor suggests.

Payroll and Personnel

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.

Results of Testing:

- a) All employees tested documented their daily attendance and leave. However, see #23 for suggestions for improvement.
- b) Changes made to the pay rates/salaries during the fiscal period for the tested employees were approved in writing and in accordance with 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.

Results of Testing:

- a) All employees tested documented their daily attendance and leave, except the Executive Director and one other unclassified employee.
- b) Time cards were punched by all employees except the Executive Director and one other unclassified employee. Time cards were not signed by either the employee or a supervisor.
- c) There was written documentation of earned leave.

The following comments are also included in the Management Letter comments:

Each employee should sign their time card for each payroll period. A supervisor should also review and sign each card. If an employee forgets to punch in or out, as soon as possible, this should be brought to the attention of the supervisor. If the latter agrees that an oversight occurred, the supervisor should sign for the missed punch-in or out. Also, the Executive Director and any other employees that do not punch time cards should keep sheets that document the total hours worked each day. These records should be signed by the employee and either another employee or Board member.

Corrective Action Response:

We will comply with the auditor's suggestions.

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.

Results of Testing:

No termination payments were made during the audit year. The Executive Director was terminated in the subsequent events period. The final payments made to him were reviewed and determined to consist only of earned salary, and accrued leave.

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.

Results of Testing:

No exceptions were noted in the above tests.

Ethics (excluding nonprofits)

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.

Results of Testing:

It appears that Ethics training was not obtained during the year.

Corrective Action Response:

All employees and board members should obtain a minimum of one hour of Ethics training each year, in accordance with state law.

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.

Results of Testing:

Management represents that no alleged ethics violations were reported during the fiscal year.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results of Testing:

Not applicable.

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.

Results of Testing:

Not applicable.

30. If the entity had tax mileages 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 mileages that continue to be received for debt that has been paid off.

Results of Testing:

Not applicable.

Other

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.

Results of Testing:

Management represents that they are not aware of any misappropriation of public funds or assets.

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) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Testing:

We have given a copy to Management to post.

Corrective Action Response:

We have posted the policy.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results of Testing:

No exceptions to Management's representations were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
May 2, 2018

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Balance Sheet Summary					
	Project Total	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	ELIM	Total
111 Cash - Unrestricted	\$8,939	\$0			\$8,939
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$134,961			\$134,961
114 Cash - Tenant Security Deposits	\$21,325				\$21,325
115 Cash - Restricted for Payment of Current Liabilities	\$0				\$0
100 Total Cash	\$30,264	\$134,961	\$0	\$0	\$165,225
121 Accounts Receivable - PHA Projects		\$1,505			\$1,505
122 Accounts Receivable - HUD Other Projects	\$36,936				\$36,936
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	\$368	\$188			\$556
126 Accounts Receivable - Tenants	\$2,280				\$2,280
126.1 Allowance for Doubtful Accounts -Tenants	-\$465				-\$465
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0			\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$39,119	\$1,693	\$0	\$0	\$40,812
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$56,499	\$14,368			\$70,867
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From		\$0	\$173,255	-\$173,255	\$0
145 Assets Held for Sale					
150 Total Current Assets	\$125,882	\$151,022	\$173,255	-\$173,255	\$276,904
161 Land	\$13,028				\$13,028
162 Buildings	\$7,786,187	\$2,080			\$7,788,267
163 Furniture, Equipment & Machinery - Dwellings	\$139,034				\$139,034
164 Furniture, Equipment & Machinery - Administration	\$130,375	\$37,793			\$168,168
165 Leasehold Improvements	\$755,940	\$1,241			\$757,181
166 Accumulated Depreciation	-\$7,133,641	-\$39,063			-\$7,172,704
167 Construction in Progress	\$150,021				\$150,021
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,840,944	\$2,051	\$0	\$0	\$1,842,995
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					
180 Total Non-Current Assets	\$1,840,944	\$2,051	\$0	\$0	\$1,842,995
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$1,966,826	\$153,073	\$173,255	-\$173,255	\$2,119,899

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Balance Sheet Summary					
	Project Total	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	ELIM	Total
311 Bank Overdraft	\$8,460				\$8,460
312 Accounts Payable <= 90 Days	\$49,955	\$10,758			\$60,713
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$7,718	\$2,720			\$10,438
322 Accrued Compensated Absences - Current Portion	\$6,982	\$2,662			\$9,644
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects		\$4,399			\$4,399
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	\$21,325				\$21,325
342 Unearned Revenue	\$6,127				\$6,127
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other	\$14,296				\$14,296
347 Inter Program - Due To		\$173,255		-\$173,255	\$0
348 Loan Liability - Current					
310 Total Current Liabilities	\$114,863	\$193,794	\$0	-\$173,255	\$135,402
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	\$12,657	\$3,952			\$16,609
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$12,657	\$3,952	\$0	\$0	\$16,609
300 Total Liabilities	\$127,520	\$197,746	\$0	-\$173,255	\$152,011
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$1,840,944	\$2,051			\$1,842,995
511.4 Restricted Net Position		\$100,165	\$173,255		\$273,420
512.4 Unrestricted Net Position	-\$1,638	-\$146,889	\$0		-\$148,527
513 Total Equity - Net Assets / Position	\$1,839,306	-\$44,673	\$173,255	\$0	\$1,967,888
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,966,826	\$153,073	\$173,255	-\$173,255	\$2,119,899

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$357,230		\$357,230
70400 Tenant Revenue - Other	\$19,903		\$19,903
70500 Total Tenant Revenue	\$377,133	\$0	\$377,133
70600 HUD PHA Operating Grants	\$521,117	\$0	\$521,117
70610 Capital Grants		\$144,521	\$144,521
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$39		\$39
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	\$24,476		\$24,476
71600 Gain or Loss on Sale of Capital Assets	\$75		\$75
72000 Investment Income - Restricted			
70000 Total Revenue	\$922,840	\$144,521	\$1,067,361
91100 Administrative Salaries	\$161,794		\$161,794
91200 Auditing Fees	\$8,352		\$8,352
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$116		\$116
91500 Employee Benefit contributions - Administrative	\$42,889		\$42,889
91600 Office Expenses	\$19,764		\$19,764
91700 Legal Expense			
91800 Travel	\$3,003		\$3,003
91810 Allocated Overhead			
91900 Other	\$49,964		\$49,964
91000 Total Operating - Administrative	\$285,882	\$0	\$285,882
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$2,450		\$2,450
92500 Total Tenant Services	\$2,450	\$0	\$2,450
93100 Water	\$76,928		\$76,928
93200 Electricity	\$15,459		\$15,459
93300 Gas	\$53,518		\$53,518
93400 Fuel			
93500 Labor			
93600 Sewer	\$96,129		\$96,129

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$242,034	\$0	\$242,034
94100 Ordinary Maintenance and Operations - Labor	\$85,844		\$85,844
94200 Ordinary Maintenance and Operations - Materials and Other	\$33,833		\$33,833
94300 Ordinary Maintenance and Operations Contracts	\$91,659		\$91,659
94500 Employee Benefit Contributions - Ordinary Maintenance	\$28,120		\$28,120
94000 Total Maintenance	\$239,456	\$0	\$239,456
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$41,868		\$41,868
96120 Liability Insurance	\$6,986		\$6,986
96130 Workmen's Compensation	\$22,457		\$22,457
96140 All Other Insurance	\$28,995		\$28,995
96100 Total insurance Premiums	\$100,306	\$0	\$100,306
96200 Other General Expenses			
96210 Compensated Absences	\$6,276		\$6,276
96300 Payments in Lieu of Taxes	\$13,510		\$13,510
96400 Bad debt - Tenant Rents	\$10,136		\$10,136
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$29,922	\$0	\$29,922
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$900,050	\$0	\$900,050
97000 Excess of Operating Revenue over Operating Expenses	\$22,790	\$144,521	\$167,311
97100 Extraordinary Maintenance	\$15,475		\$15,475
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$242,608		\$242,608
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$1,158,133	\$0	\$1,158,133

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$0		\$0
10020 Operating transfer Out		\$0	\$0
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			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$235,293	\$144,521	-\$90,772
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,930,078	\$0	\$1,930,078
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$144,521	-\$144,521	\$0
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			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1548		1548
11210 Number of Unit Months Leased	1494		1494
11270 Excess Cash	-\$120,484		-\$120,484
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$144,521	\$144,521
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Revenue and Expense Summary					
	Project Total	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	ELIM	Total
70300 Net Tenant Rental Revenue	\$357,230				\$357,230
70400 Tenant Revenue - Other	\$19,903				\$19,903
70500 Total Tenant Revenue	\$377,133	\$0	\$0		\$377,133
70600 HUD PHA Operating Grants	\$521,117	\$1,260,289			\$1,781,406
70610 Capital Grants	\$144,521				\$144,521
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$39	\$273			\$312
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		\$1,050			\$1,050
71500 Other Revenue	\$24,476	\$16,940			\$41,416
71600 Gain or Loss on Sale of Capital Assets	\$75				\$75
72000 Investment Income - Restricted					
70000 Total Revenue	\$1,067,361	\$1,278,552	\$0		\$2,345,913
91100 Administrative Salaries	\$161,794	\$108,201			\$269,995
91200 Auditing Fees	\$8,352	\$7,852			\$16,204
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$116	\$21			\$137
91500 Employee Benefit contributions - Administrative	\$42,889	\$22,397			\$65,286
91600 Office Expenses	\$19,764	\$11,798			\$31,562
91700 Legal Expense					
91800 Travel	\$3,003	\$2,293			\$5,296
91810 Allocated Overhead					
91900 Other	\$49,964	\$56,540			\$106,504
91000 Total Operating - Administrative	\$285,882	\$209,102	\$0		\$494,984
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$2,450				\$2,450
92500 Total Tenant Services	\$2,450	\$0	\$0		\$2,450
93100 Water	\$76,928				\$76,928
93200 Electricity	\$15,459				\$15,459
93300 Gas	\$53,518				\$53,518
93400 Fuel					
93500 Labor					
93600 Sewer	\$96,129				\$96,129

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Revenue and Expense Summary					
	Project Total	14,871 Housing Choice Vouchers	97,109 Disaster Housing Assistance Grant	ELIM	Total
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$242,034	\$0	\$0		\$242,034
94100 Ordinary Maintenance and Operations - Labor	\$85,844				\$85,844
94200 Ordinary Maintenance and Operations - Materials and Other	\$33,833				\$33,833
94300 Ordinary Maintenance and Operations Contracts	\$91,659				\$91,659
94500 Employee Benefit Contributions - Ordinary Maintenance	\$28,120				\$28,120
94000 Total Maintenance	\$239,456	\$0	\$0		\$239,456
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0		\$0
96110 Property Insurance	\$41,868				\$41,868
96120 Liability Insurance	\$6,986	\$3,526			\$10,512
96130 Workmen's Compensation	\$22,457	\$913			\$23,370
96140 All Other Insurance	\$28,995	\$4,099			\$33,094
96100 Total insurance Premiums	\$100,306	\$8,538	\$0		\$108,844
96200 Other General Expenses		\$23,728			\$23,728
96210 Compensated Absences	\$6,276	\$2,977			\$9,253
96300 Payments in Lieu of Taxes	\$13,510				\$13,510
96400 Bad debt - Tenant Rents	\$10,136				\$10,136
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$29,922	\$26,705	\$0		\$56,627
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0		\$0
96900 Total Operating Expenses	\$900,050	\$244,345	\$0		\$1,144,395
97000 Excess of Operating Revenue over Operating Expenses	\$167,311	\$1,034,207	\$0		\$1,201,518
97100 Extraordinary Maintenance	\$15,475				\$15,475
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$1,632,556			\$1,632,556
97350 HAP Portability-In		\$16,024			\$16,024
97400 Depreciation Expense	\$242,608	\$1,320			\$243,928
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$1,158,133	\$1,894,245	\$0		\$3,052,378

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Revenue and Expense Summary					
	Project Total	14,871 Housing Choice Vouchers	97,109 Disaster Housing Assistance Grant	ELIM	Total
10010 Operating Transfer In	\$0				\$0
10020 Operating transfer Out	\$0				\$0
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					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$90,772	-\$615,693	\$0		-\$706,465
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$1,930,078	\$571,020	\$173,255		\$2,674,353
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0				\$0
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		-\$144,838			-\$144,838
11180 Housing Assistance Payments Equity		\$100,165			\$100,165
11190 Unit Months Available	1548	4662			6210
11210 Number of Unit Months Leased	1494	2794			4288
11270 Excess Cash	-\$120,484				-\$120,484
11610 Land Purchases	\$0				\$0
11620 Building Purchases	\$144,521				\$144,521
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0
11640 Furniture & Equipment - Administrative Purchases	\$0				\$0
11650 Leasehold Improvements Purchases	\$0				\$0
11660 Infrastructure Purchases	\$0				\$0
13510 CFFP Debt Service Payments	\$0				\$0
13901 Replacement Housing Factor Funds	\$0				\$0