

THE HOUSING AUTHORITY
OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
YEAR ENDED SEPTEMBER 30, 2018

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Housing Authority of St. John the Baptist Parish, Louisiana as of and for the year ended September 30, 2018, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

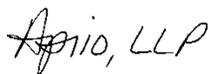
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2019 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Birmingham, Alabama
March 18, 2019

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

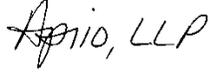
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, slightly slanted style.

Birmingham, Alabama

March 18, 2019

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

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

Report on Compliance for the Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2018. The Authority's major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on the Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended September 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Aprio, LLP

Birmingham, Alabama
March 18, 2019

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

This section of the Authority's annual financial report presents management's analysis of the Authority's financial performance during the fiscal year ended September 30, 2018. The operation of The Housing Authority of St. John the Baptist Parish is comprised of a Low-Income Public Housing Program, a Section 8 Housing Choice Vouchers Program and a Resident Opportunity and Supportive Services Program. The Public Housing Program, which also includes a Capital Grant Funding Program, is funded with rental revenue, miscellaneous tenant charges and operating and capital grants from the Department of Housing and Urban Development (HUD). The Section 8 Housing Choice Voucher Program is funded by grants from HUD and HAP reimbursements from other housing authorities. The Resident Opportunity and Supportive Services Program is funded entirely by grants from HUD.

FINANCIAL HIGHLIGHTS

1. Total assets exceed total liabilities by	\$4,045,003
2. Unrestricted net position equals	815,932
3. Total revenues increased by	622,812
4. Total expenses decreased by	172,931

REQUIRED FINANCIAL STATEMENTS

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

- . Statement of Net Position – includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating. This statement was formerly known as a Statement of Net Assets.

- . Statement of Revenues, Expenses and Changes in Net Position - provides information as to the current year revenues over expenses. This statement was formerly known as a Statement of Revenues, Expenses and Changes in Net Position.

- . Statement of Cash Flows – provides information about net cash provided by, or used for operating activities, non-capital financing activities, capital and related financing activities and from investing activities.

FINANCIAL ANALYSIS

CONDENSED STATEMENT OF NET POSITION

	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current Assets	\$ 912,164	\$ 633,709	\$ 278,455
Restricted Assets	589,386	484,021	\$ 105,365
Capital Assets	2,639,685	2,855,374	(215,689)
Deferred Outflows of Resources	-	14,212	(14,212)
Total Assets and Deferred Outflows of Resources	\$ 4,141,235	\$ 3,987,316	\$ 153,919
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 67,177	\$ 90,440	\$ (23,263)
Non-current Liabilities	29,055	15,493	13,562
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	\$ 96,232	\$ 105,933	\$ (9,701)
Net Position:			
Net Invested in Capital Assets	\$ 2,639,685	\$ 2,855,374	\$ (215,689)
Restricted Net Position	589,386	484,021	105,365
Unrestricted Net Position	815,932	541,988	273,944
Total Net Position	\$ 4,045,003	\$ 3,881,383	\$ 163,620

As illustrated in the Condensed Statement of Net Position, the overall net position of the Authority increased by \$163,620. Current assets increased due primarily to an increase of unrestricted cash resulting from operating cash inflows exceeding operating cash outflows. See the Statement of Cash Flows for additional detail regarding cash inflows and outflows. Restricted assets and net position increased as a result of housing assistance payments funding recognized from HUD which exceeded housing assistance payments expenditures, and the resulting restriction of the excess funds recognized. Capital assets decreased due to the disposition of a former Public Housing dwelling property to a local affiliate in connection with the Authority's participation in HUD's Rental Assistance Demonstration (RAD) Program. Certain Public Housing dwelling units were also dispositioned through recognition of an impairment loss due to fire damage and other occurrences which left the units uninhabitable.

CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, October 1, 2017	\$ 541,988
Results of Operations	(155,219)
Grant Proceeds Restricted for Housing Assistance Payments	(105,365)
Proceeds Received on the Disposition of Capital Assets	156,917
Investment Income	517
Depreciation Expense	377,094
Unrestricted Net Position, September 30, 2018	\$ 815,932

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

FINANCIAL ANALYSIS (continued)

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 203,161	\$ 239,680	\$ (36,519)
Operating Grants	3,702,428	3,488,334	214,094
Capital Grants	385,886	244,692	141,194
Interest Income	517	1,158	(641)
Gain on the Disposition of Capital Assets	111,957	-	111,957
Other Income	622,185	429,458	192,727
Total Revenues	<u>\$ 5,026,134</u>	<u>\$ 4,403,322</u>	<u>\$ 622,812</u>
Expenses:			
Administrative Expenses	\$ 578,204	\$ 596,841	\$ (18,637)
Tenant Services	23,800	24,082	(282)
Utilities	238,801	292,757	(53,956)
Maintenance & Operations	326,462	368,075	(41,613)
General Expense	324,291	331,724	(7,433)
Housing Assistance Payments	2,814,341	2,697,908	116,433
Loss on Impairment of Capital Assets	179,521	-	179,521
Depreciation	377,094	378,196	(1,102)
Total Expenses	<u>\$ 4,862,514</u>	<u>\$ 4,689,583</u>	<u>\$ 172,931</u>
Excess (Deficiency) Revenues Over Expenses	<u>\$ 163,620</u>	<u>\$ (286,261)</u>	<u>\$ 449,881</u>

REVENUES

In reviewing the Schedule of Revenues, Expenses and Changes in Net Position you will find that 81% of the Authority's revenue is derived from grants from the Department of Housing and Urban Development; 4% of the Authority's revenue is from dwelling rent; and 15% is from investment and other income.

EXPENSES

19% of the Authority's expenses are for tenant services, and general and administrative costs; 12% for maintenance and utilities; 8% for depreciation; 58% for housing assistance payments; and 4% for a recognized impairment loss.

Excess (Deficiency) of Revenues Over Expenses

Rental revenues decreased moderately due to a reduction of leasing. Operating grants increased due to funding recognized through the Section 8 Housing Choice Voucher Program, which exceeded like revenues in fiscal year 2017. Capital grant revenue exceeded fiscal year 2017 funding, in order to fund an increase of modernization and development activity on the Authority's remaining Public Housing sites. The fiscal year 2018 gain on the disposition of capital assets resulted from the disposition of a former Public Housing dwelling property to a local affiliate in connection with the Authority's participation in HUD's Rental Assistance Demonstration (RAD) Program. Other income increased due to administrative fees recovered from other housing authorities for Voucher Program participants ported-in.

FINANCIAL ANALYSIS (continued)

Maintenance and utilities decreased due mainly to the reduction of leasing. Housing assistance payments increased due to an increase of assistance payments issued to other housing authorities for Voucher Program participants ported-in. The fiscal year 2018 loss on impairment of capital assets resulted from the destruction of certain Public Housing dwelling units due to fire damage which left the units uninhabitable, and an assessment of other unoccupied units as uninhabitable which management ultimately intends to demolish.

CAPITAL ASSETS

As of year-end, the Authority had \$2,639,685 invested in a variety of capital assets as reflected in the following schedule:

	<u>2018</u>	<u>2017</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 171,875	\$ 171,875	\$ -	0%
Buildings & Improvements	8,889,930	9,651,343	(761,413)	-8%
Furniture & Equipment	289,782	237,060	52,722	22%
Construction in Process	491,443	587,417	(95,974)	-16%
Accumulated Depreciation	<u>(7,203,345)</u>	<u>(7,792,321)</u>	<u>588,976</u>	<u>-8%</u>
Net Capital Assets	<u>\$ 2,639,685</u>	<u>\$ 2,855,374</u>	<u>\$ (215,689)</u>	<u>-8%</u>

The following reconciliation summarizes the change in Capital Assets:

Beginning Balance, October 1, 2017	\$ 2,855,374
Additions:	
Capital Fund Program - Improvements	385,886
Dispositions:	
RAD Conversion	(44,960)
Property Impairments	(179,521)
Depreciation Expense	<u>(377,094)</u>
Ending Balance, September 30, 2018	<u>\$ 2,639,685</u>

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS

Several factors that may affect the financial position of the Authority in the subsequent fiscal year are as follows:

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

CONTACT

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

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2018

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 578,990
Accounts Receivable - Grants	222,883
Tenants Accounts Receivable	3,473
Allowance for Doubtful Accounts	(230)
Prepaid Costs	107,048
Total Current Assets	<u>912,164</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>589,386</u>
Total Restricted Assets	<u>589,386</u>
<u>Capital Assets</u>	
Land	171,875
Buildings and Improvements	8,889,930
Furniture & Equipment	289,782
Construction in Progress	491,443
	<u>9,843,030</u>
(Less): Accumulated Depreciation	<u>(7,203,345)</u>
Net Capital Assets	<u>2,639,685</u>
Total Assets	<u>4,141,235</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,141,235</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2018

LIABILITIES, DEFERRED INFLOWS OF
 RESOURCES AND NET POSITION

	<u>Enterprise Fund</u>
<u>Current Liabilities</u>	
Accounts Payable	\$ 39,734
Accrued Wages and Payroll Taxes	11,648
Accrued Compensated Absences	3,228
Tenant Security Deposits	12,364
Unearned Revenue	203
Total Current Liabilities	<u>67,177</u>
<u>Long Term Liabilities</u>	
Accrued Compensated Absences	<u>29,055</u>
Total Long Term Liabilities	<u>29,055</u>
Total Liabilities	<u>96,232</u>
Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>96,232</u>
<u>Net Position</u>	
Net Investment in Capital Assets	2,639,685
Restricted Net Position	589,386
Unrestricted Net Position	815,932
Total Net Position	<u>4,045,003</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 4,141,235</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Enterprise Fund</u>
<u>Operating Revenues</u>	
Dwelling Rent	\$ 203,161
Operating Grants	3,702,428
Other Revenue	622,185
Total Operating Revenues	<u>4,527,774</u>
<u>Operating Expenses</u>	
Administrative	578,204
Tenant Services	23,800
Utilities	238,801
Maintenance and Operations	326,462
General Expense	324,291
Housing Assistance Payments	2,814,341
Depreciation	377,094
Total Operating Expenses	<u>4,682,993</u>
Operating Income (Loss)	<u>(155,219)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	517
Gain on the Disposition of Capital Assets	111,957
Asset Impairment Loss	(179,521)
Total Non-Operating Rev/(Exp)	<u>(67,047)</u>
Increase (decrease) before Capital Contributions	<u>(222,266)</u>
Capital Contributions	<u>385,886</u>
Increase (Decrease) in Net Position	163,620
Net Position, Beginning	<u>3,881,383</u>
Net Position, Ending	<u>\$ 4,045,003</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 182,035
Cash Received from Operating Grants	3,729,776
Cash Received from Other Sources	632,330
Cash Payments for Salaries and Benefits	(592,295)
Cash Payments to Vendors and Landlords	<u>(3,677,480)</u>
Net cash provided (used) by operating activities	<u>274,366</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants Received	385,886
Capital Outlay	(385,886)
Proceeds Received on Dispositions	156,917
Net cash provided (used) by capital & related financing activities	<u>156,917</u>
<u>Cash flows from investing activities:</u>	
Interest earned from cash and cash equivalents	<u>517</u>
Net cash provided (used) by investing activities	<u>517</u>
Net increase in cash and cash equivalents	431,800
Total cash and cash equivalents, beginning of year	<u>736,576</u>
Total cash and cash equivalents, end of year	<u>\$ 1,168,376</u>
 <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income	\$ (155,219)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	377,094
Bad Debt Expense (Tenants)	19,657
Change in Tenant Accounts Receivable	(21,126)
Change in Accounts Receivable/Payable - Grants	27,348
Change in Other Accounts Receivable	6,729
Change in Prepaid Costs	29,787
Change in Accounts Payable - Operating	(14,757)
Change in Accrued Expenses	1,437
Change in Security Deposits Held	3,416
Net cash provided (used) by operating activities	<u>\$ 274,366</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Cash

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

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other receivables consist of amounts due from HUD for operating grants.

Prepaid Items

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment

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

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

Authority management has assessed the carrying values of capital asset balances as of September 30, 2018, and as of March 18, 2019. No significant capital asset value impairments exist as of the noted dates.

Deferred Outflows and Inflows of Resources

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

Revenue Accounting Policies

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

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

Cost Allocation

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The Mayor appoints the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has no component units. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

NOTE C - CASH AND INVESTMENT DEPOSITS

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

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

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

The Housing Authority’s cash and cash equivalents consist of cash held in three interest bearing checking accounts and one non-interest-bearing checking account, totaling \$1,168,176. The remaining \$200 is held in the form of petty cash or change fund. Deposits with financial institutions are secured as follows:

	<u>General Ledger</u>	<u>Bank Deposits</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Collateralized with specific securities pledged to the Authority by the the financial institution(s)	918,176	939,827
	<u>\$ 1,168,176</u>	<u>\$ 1,189,827</u>

NOTE D - CONTRACTUAL COMMITMENTS

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

Type of Commitment:

Renovations/ Modernizations	\$ 60,582
Professional and Administrative	189,815
Total Outstanding Contractual Commitments	<u>\$ 250,397</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE E – RISK MANAGEMENT

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

NOTE F – CONCENTRATION OF RISK

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

NOTE G – SIGNIFICANT ESTIMATES

The financial statements include some amounts that are based on management’s best estimates and judgments. The most significant estimates relate to depreciation and useful lives. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE H – ACCRUED COMPENSATED ABSENCES

It is the Housing Authority’s policy to permit employees, depending on tenure, to accumulate earned but unused vacation and sick leave. Upon separation from employment after one year of service, an employee is entitled to receive pay for accrued vacation up to a specified maximum. Vacation leave accrued but not yet utilized or paid as of September 30, 2018 is reported as a liability allocated between current and non-current.

Because management cannot reasonably estimate the amount of earned sick leave which will be utilized, the Authority has not accrued any earned but unused sick leave in its Statement of Net Position. Management does not anticipate that the amount of earned sick leave as of fiscal year-end, that will be utilized in subsequent fiscal years will be significant to its financial statements.

	Balance			Balance	Due Within
	October 1,			September 30,	One Year
	2017	Increase	Decrease	2018	One Year
Accrued Compensated Absences	\$ 30,985	31,605	30,307	\$ 32,283	\$ 3,228
Less: Current portion	(15,492)			(3,228)	
Total Long-Term Liabilities	\$ 15,493			\$ 29,055	\$ -

NOTE K – OTHER COMMITMENTS AND CONTINGENCIES

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – PROPERTY AND EQUIPMENT

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

	<u>PUBLIC HOUSING</u>	<u>HOUSING CHOICE VOUCHERS</u>	<u>TOTAL</u>
Land	\$ 171,875	\$ -	\$ 171,875
Building and Improvements	8,889,930	-	8,889,930
Furniture, Fixtures and Equipment	272,176	17,606	289,782
Construction in Process	491,443	-	491,443
Less Accumulated Depreciation	<u>(7,189,260)</u>	<u>(14,085)</u>	<u>(7,203,345)</u>
Total Property and Equipment	<u>\$ 2,636,164</u>	<u>\$ 3,521</u>	<u>\$ 2,639,685</u>

	<u>October 1, 2017 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>September 30, 2018 Balance</u>
Land	\$ 171,875	\$ -	\$ -	\$ 171,875
Construction in Process	<u>587,417</u>	<u>385,886</u>	<u>(481,860)</u>	<u>491,443</u>
Total Assets not being depreciated	759,292	385,886	(481,860)	663,318
Buildings and Improvements	9,651,343	-	(761,413)	8,889,930
Furniture and Equipment	<u>237,060</u>	<u>-</u>	<u>52,722</u>	<u>289,782</u>
Total Property and Equipment	10,647,695	385,886	(1,190,551)	9,843,030
Less Accumulated Depreciation				
Building and Improvements	(7,584,919)	(353,394)	913,792	(7,024,521)
Furniture and Equipment	<u>(207,402)</u>	<u>(23,700)</u>	<u>52,278</u>	<u>(178,824)</u>
Net Book Value	<u>\$ 2,855,374</u>	<u>\$ 8,792</u>	<u>\$ (224,481)</u>	<u>\$ 2,639,685</u>

During fiscal year 2018 the Authority disposed of one of its dwelling properties to a local affiliate in connection with its participation in HUD's Rental Assistance Demonstration (RAD) Program. The property had a cost basis of \$958,752 and accumulated depreciation of \$913,792 at the time of disposition. The Authority received \$156,917 upon disposition, which resulted in a gain of \$111,957.

Upon a fiscal year-end assessment of certain other dwelling properties as uninhabitable, and management's intention of demolishing the properties subsequent to fiscal year-end, the Authority recognized an impairment loss which reduced the carrying value of the applicable properties by \$179,521. As of the date of this Report, demolition is under-way.

Other dispositions consisted of vehicles with a cost basis of \$52,278 and accumulated depreciation of \$52,278.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE L – RESTRICTED ASSETS AND RESTRICTED NET POSITION

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

Insurance Proceeds Held for Capital Improvements	\$ 484,021
Funds Held for Housing Assistance Payments	<u>105,365</u>
Total Restricted Assets and Net Position	<u><u>\$ 589,386</u></u>

NOTE I - PENSION PLAN

The Housing Authority contributes to a defined contribution pension plan titled The St. John the Baptist Parish Housing Authority Retirement Plan, administered by a private corporation under contract with the Authority. All full-time employees are eligible for the plan after completing 6 months employment with the Authority. The Authority contributes 7.5% of each participating employee's base salary to the plan. Employer contributions to the plan for participating employees, for the year ended September 30, 2018 were \$22,527. Employee contributions are equal to 5% of each participating employee's base salary. Employee contributions to the plan for the year ended September 30, 2018 were \$23,150.

NOTE M – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through March 18, 2019, the date the financial statements were available to be issued.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2018

EXPENDITURES

Public Housing Program	
Total CFDA Number 14.850a	<u>\$ 983,203</u>
Resident Opportunity and Supportive Services	
Total CFDA Number 14.870	<u>54,125</u>
Housing Choice Vouchers	
Total CFDA Number 14.871	<u>2,535,244</u>
Capital Fund Program	
Total CFDA Number 14.872	<u>515,742</u>
TOTAL HUD EXPENDITURES	<u>4,088,314</u>
TOTAL FEDERAL EXPENDITURES	<u><u>\$ 4,088,314</u></u>

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2018. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

**THE HOUSING AUTHORITY OF ST JOHN THE BAPTIST PARISH
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Capital Fund Program LA48R09550114
Funds Approved	\$ 8,059
Funds Expended	8,059
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 8,059
Funds Expended	8,059
Excess of Funds Advanced	<u>\$ -</u>

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

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

LaPlace, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 9/30/2018

	Project Total	1 Business Activities	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	ELIM	Total Enterprise Fund
111 Cash - Unrestricted	\$ 183,258	\$ 156,917	\$ -	\$ 226,451	\$ -	\$ 566,626
112 Cash - Restricted - Modernization and Development	484,021	-	-	-	-	484,021
113 Cash - Other Restricted	-	-	-	105,365	-	105,365
114 Cash - Tenant Security Deposits	12,364	-	-	-	-	12,364
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-
100 Total Cash	\$ 679,643	\$ 156,917	\$ -	\$ 331,816	\$ -	\$ 1,168,376
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	204,744	-	18,139	-	-	222,883
124 Accounts Receivable - Other Government	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	-
126 Accounts Receivable - Tenants	3,473	-	-	-	-	3,473
126.1 Allowance for Doubtful Accounts - Tenants	(230)	-	-	-	-	(230)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 207,987	\$ -	\$ 18,139	\$ -	\$ -	\$ 226,126
131 Investments - Unrestricted	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-
133 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	107,048	-	-	-	-	107,048
143 Inventories	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-
144 Inter Program Due From	16,492	-	-	-	(16,492)	-
145 Assets Held for Sale	-	-	-	-	-	-
150 Total Current Assets	\$ 1,011,170	\$ 156,917	\$ 18,139	\$ 331,816	\$ (16,492)	\$ 1,501,550
161 Land	171,875	-	-	-	-	171,875
162 Buildings	8,779,018	-	-	-	-	8,779,018
163 Furniture, Equipment & Machinery - Dwellings	123,641	-	-	-	-	123,641
164 Furniture, Equipment & Machinery - Administration	148,535	-	-	17,606	-	166,141
165 Leasehold Improvements	110,912	-	-	-	-	110,912
166 Accumulated Depreciation	(7,189,260)	-	-	(14,085)	-	(7,203,345)
167 Construction in Progress	491,443	-	-	-	-	491,443
168 Infrastructure	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 2,636,164	\$ -	\$ -	\$ 3,521	\$ -	\$ 2,639,685
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	-	-	-	-	-	-

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

LaPlace, LA

Entity Wide Balance Sheet Summary

Fiscal Year

End: 9/30/2018

	Project Total	1 Business Activities	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	ELIM	Total Enterprise Fund
180 Total Non-Current Assets	\$ 2,636,164	\$ -	\$ -	\$ 3,521	\$ -	\$ 2,639,685
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 3,647,334	\$ 156,917	\$ 18,139	\$ 335,337	\$ (16,492)	\$ 4,141,235
311 Bank Overdraft	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	29,129	-	-	-	-	29,129
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	8,267	-	1,174	2,207	-	11,648
322 Accrued Compensated Absences - Current Portion	2,760	-	47	421	-	3,228
324 Accrued Contingency Liability	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-
333 Accounts Payable - Other Government	3,515	-	-	-	-	3,515
341 Tenant Security Deposits	12,364	-	-	-	-	12,364
342 Unearned Revenue	203	-	-	-	-	203
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	7,090	-	-	-	-	7,090
347 Inter Program - Due To	-	-	16,492	-	(16,492)	-
348 Loan Liability - Current	-	-	-	-	-	-
310 Total Current Liabilities	\$ 63,328	\$ -	\$ 17,713	\$ 2,628	\$ (16,492)	\$ 67,177
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	24,843	-	426	3,786	-	29,055
355 Loan Liability - Non Current	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 24,843	\$ -	\$ 426	\$ 3,786	\$ -	\$ 29,055
300 Total Liabilities	\$ 88,171	\$ -	\$ 18,139	\$ 6,414	\$ (16,492)	\$ 96,232
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	2,636,164	-	-	3,521	-	2,639,685
511.4 Restricted Net Position	484,021	-	-	105,365	-	589,386
512.4 Unrestricted Net Position	438,978	156,917	-	220,037	-	815,932
513 Total Equity - Net Assets / Position	\$ 3,559,163	\$ 156,917	\$ -	\$ 328,923	\$ -	\$ 4,045,003
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 3,647,334	\$ 156,917	\$ 18,139	\$ 335,337	\$ (16,492)	\$ 4,141,235

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

Entity Wide Revenue and Expense Summary

Fiscal Year
 End: 9/30/2018

	Project Total	1 Business Activities	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	ELIM	Total Enterprise Fund
70300 Net Tenant Rental Revenue	\$ 183,947	\$ -	\$ -	\$ -	\$ -	\$ 183,947
70400 Tenant Revenue - Other	19,214	-	-	-	-	19,214
70500 Total Tenant Revenue	\$ 203,161	\$ -	\$ -	\$ -	\$ -	\$ 203,161
70600 HUD PHA Operating Grants	1,113,059	-	54,125	2,535,244	-	3,702,428
70610 Capital Grants	385,886	-	-	-	-	385,886
70710 Management Fee	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-
70700 Total Fee Revenue	\$ 1,498,945	\$ -	\$ 54,125	\$ 2,535,244	\$ -	\$ 4,088,314
70800 Other Government Grants	-	-	-	-	-	-
71100 Investment Income - Unrestricted	325	-	-	192	-	517
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	16,722	-	-	605,463	-	622,185
71600 Gain or Loss on Sale of Capital Assets	(44,960)	156,917	-	-	-	111,957
72000 Investment Income - Restricted	-	-	-	-	-	-
70000 Total Revenue	\$ 1,674,193	\$ 156,917	\$ 54,125	\$ 3,140,899	\$ -	\$ 5,026,134
91100 Administrative Salaries	125,268	-	21,134	88,879	-	235,281
91200 Auditing Fees	2,101	-	-	6,500	-	8,601
91300 Management Fee	-	-	-	-	-	-
91310 Book-keeping Fee	-	-	-	-	-	-
91400 Advertising and Marketing	-	-	-	-	-	-
91500 Employee Benefit contributions - Administrative	61,608	-	8,036	37,531	-	107,175
91600 Office Expenses	25,246	-	-	7,759	-	33,005
91700 Legal Expense	-	-	-	-	-	-
91800 Travel	16,959	-	-	234	-	17,193
91810 Allocated Overhead	-	-	-	-	-	-
91900 Other	132,560	-	782	43,607	-	176,949
91000 Total Operating - Administrative	\$ 363,742	\$ -	\$ 29,952	\$ 184,510	\$ -	\$ 578,204
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	100	-	20,400	-	-	20,500
92200 Relocation Costs	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	3,300	-	-	3,300
92400 Tenant Services - Other	-	-	-	-	-	-
92500 Total Tenant Services	\$ 100	\$ -	\$ 23,700	\$ -	\$ -	\$ 23,800
93100 Water	151,032	-	-	-	-	151,032
93200 Electricity	22,123	-	-	-	-	22,123
93300 Gas	65,646	-	-	-	-	65,646
93400 Fuel	-	-	-	-	-	-

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

LaPlace, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 9/30/2018

	Project Total	1 Business Activities	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	ELIM	Total Enterprise Fund
93500 Labor	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-
93000 Total Utilities	\$ 238,801	\$ -	\$ -	\$ -	\$ -	\$ 238,801
94100 Ordinary Maintenance and Operations - Labor	129,542	-	-	-	-	129,542
94200 Ordinary Maintenance and Operations - Materials and Other	34,202	-	-	-	-	34,202
94300 Ordinary Maintenance and Operations Contracts	97,067	-	-	-	-	97,067
94500 Employee Benefit Contributions - Ordinary Maintenance	65,651	-	-	-	-	65,651
94000 Total Maintenance	\$ 326,462	\$ -	\$ -	\$ -	\$ -	\$ 326,462
95100 Protective Services - Labor	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-
95000 Total Protective Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96110 Property Insurance	209,073	-	-	-	-	209,073
96120 Liability Insurance	32,303	-	-	-	-	32,303
96130 Workmen's Compensation	13,813	-	-	13,813	-	27,626
96140 All Other Insurance	-	-	-	-	-	-
96100 Total Insurance Premiums	\$ 255,189	\$ -	\$ -	\$ 13,813	\$ -	\$ 269,002
96200 Other General Expenses	-	-	-	3,349	-	3,349
96210 Compensated Absences	27,603	-	473	4,207	-	32,283
96300 Payments in Lieu of Taxes	-	-	-	-	-	-
96400 Bad debt - Tenant Rents	19,657	-	-	-	-	19,657
96500 Bad debt - Mortgages	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-
96000 Total Other General Expenses	\$ 47,260	\$ -	\$ 473	\$ 7,556	\$ -	\$ 55,289
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96900 Total Operating Expenses	\$ 1,231,554	\$ -	\$ 54,125	\$ 205,879	\$ -	\$ 1,491,558
97000 Excess of Operating Revenue over Operating Expenses	\$ 442,639	\$ 156,917	\$ -	\$ 2,935,020	\$ -	\$ 3,534,576
97100 Extraordinary Maintenance	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	179,521	-	-	-	-	179,521

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

LaPlace, LA

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 9/30/2018

	Project Total	1 Business Activities	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	ELIM	Total Enterprise Fund
97300 Housing Assistance Payments	-	-	-	2,259,406	-	2,259,406
97350 HAP Portability-In	-	-	-	554,935	-	554,935
97400 Depreciation Expense	373,573	-	-	3,521	-	377,094
97500 Fraud Losses	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-
90000 Total Expenses	\$ 1,784,648	\$ -	\$ 54,125	\$ 3,023,741	\$ -	\$ 4,862,514
10010 Operating Transfer In	83,908	-	-	-	-	83,908
10020 Operating transfer Out	(83,908)	-	-	-	-	(83,908)
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (110,455)	\$ 156,917	\$ -	\$ 117,158	\$ -	\$ 163,620
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 3,669,618	\$ -	\$ -	\$ 211,765	\$ -	\$ 3,881,383
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ 223,558	\$ -	\$ 223,558
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ 105,365	\$ -	\$ 105,365
11190 Unit Months Available	1,729	-	-	3,120	-	4,849
11210 Number of Unit Months Leased	985	-	-	2,902	-	3,887
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	385,886	-	-	-	-	385,886
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2018

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered to be material weaknesses identified? Yes None Reported

Is noncompliance that could have a material effect on the financial statements identified? Yes No

FEDERAL AWARDS

Internal control over major programs:

Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered to be material weaknesses identified? Yes None Reported

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

Are there any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance? Yes No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA No.</u>
Section 8 Housing Choice Voucher Program	14.871

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

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

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

SEPTEMBER 30, 2018

Section II: Financial Statement Findings:

Prior Year Findings and Questioned Costs:

None

Current Year Findings and Questioned Costs:

None

Section III: Federal Award Findings and Questioned Costs:

Prior Year Findings and Questioned Costs:

None

Current Year Findings and Questioned Costs:

None

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

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

YEAR ENDED SEPTEMBER 30, 2018

EXPENDITURE PURPOSE

Salary	<u>\$ 87,006</u>
Benefits - Insurance	<u>10,519</u>
Benefits - Retirement	<u>4,350</u>
Car Allowance	<u>6,000</u>
Per Diem	<u>1,743</u>
Registration Fees	<u>575</u>
Conference Travel	<u>2,356</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 112,549</u></u>

Agency Head: Trina Henderson, Executive Director

Basis of Presentation:

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by The Housing Authority of the City of Alexandria and the Louisiana Legislative Auditor (LLA) on the applicable control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2017 through September 30, 2018. The Authority's management is responsible for those C/C areas identified in the SAUPs.

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

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

The associated results and conclusions are as follows:

Written Policies and Procedures

The Authority did have policies which addressed each of the applicable Written Policy and Procedure categories itemized in the SAUP's (see Addendum A).

Credit Cards

Statements contained appropriate approvals and charges on statements complied with the disbursement policies. No interest or fee charges were noted.

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

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

Aprio, LLP

Birmingham, Alabama
March 18, 2019

ADDENDUM A

Procedures

Report all exceptions to the following procedures, either after each procedure or after all procedures within each of the twelve AUP categories. “Random” selections may be made using Microsoft Excel’s random number generator or an alternate method selected by the practitioner that results in an equivalent sample (e.g., those methods allowed under the AICPA Audit Guide - *Audit Sampling*).

Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):³
 - 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or 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).
 - 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

³ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization’s operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- 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***⁴, 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.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

2. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.
3. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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) Observe that finance charges and late fees were not assessed on the selected statements.

⁴ The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

4. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).