

**ANNUAL FINANCIAL REPORT**  
**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2017**



**ERICKSEN KRENTEL** LLP  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Finance Authority of St. Tammany Parish  
Covington, Louisiana

We have audited the accompanying financial statements of the business-type activities of the Finance Authority of St. Tammany Parish (the Authority), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Finance Authority of St. Tammany Parish

June 21, 2018

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Finance Authority of St. Tammany Parish, as of December 31, 2017, and the changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of compensation paid to board members and schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis as required by Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



Finance Authority of St. Tammany Parish  
June 21, 2018  
Page 3

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2018, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Auditing Standards* in considering the Finance Authority of St. Tammany Parish's internal control over financial reporting and compliance.

June 21, 2018  
Mandeville, Louisiana

A handwritten signature in black ink that reads "Erickson Krentel" followed by a stylized flourish.

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION**

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

This section of the Finance Authority of St. Tammany Parish's (the Authority) annual financial report presents management's analysis of the Authority's financial performance for the year ended December 31, 2017. This analysis should be read in conjunction with the audited financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

The Authority's assets exceeded its liabilities by \$843,127 at December 31, 2017. The total net position of the Authority increased \$494,426.

The Authority's general revenues were \$612,228 in 2017 compared to \$314,658 in 2016, which is an increase of \$297,570.

Total expenses for the Authority during the year ended December 31, 2017 were \$117,802. These expenses compared to total expenses of \$271,081 during the year ended December 31, 2016 result in a decrease of \$153,279.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of two sections: Management's Discussion and Analysis and audited financial statements. The financial statements also include notes that provide additional detail of the information included in the financial statements.

**BASIC FINANCIAL STATEMENTS**

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the Authority.

The Statement of Net Position presents information that includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decrease in net position may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenditures, and Changes in Net Position presents information on how the Authority's net position changed as a result of current period operations.

The Statement of Cash Flows presents information showing how the Authority's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided by (used for) operating activities (indirect method) as required by GASB 34.

The following presents condensed financial information of the Authority.

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

**SUMMARY OF NET POSITION**  
DECEMBER 31, 2017 AND 2016

	<u>ASSETS</u>	
	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Current assets	\$ 843,127	\$ 658,467
Investments	<u>-</u>	<u>5,605,723</u>
Total assets	<u>843,127</u>	<u>6,264,190</u>
 <u>LIABILITIES</u>		
	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Current liabilities	-	24,161
Long-term liabilities	<u>-</u>	<u>5,891,328</u>
Total liabilities	<u>-</u>	<u>5,915,489</u>
 <u>NET POSITION</u>		
Unrestricted	795,058	-
Restricted for debt service	-	295,043
Restricted for program expenses	<u>48,069</u>	<u>53,658</u>
Total net position	<u>\$ 843,127</u>	<u>\$ 348,701</u>

Total assets decreased by \$5,421,063 and total liabilities decreased by \$5,915,489. Net position increased \$494,426 as a result of operations.

Restricted net position represents those assets that are not available for spending as a result of bond agreements. Conversely, unrestricted net position, if any, are those that do not have any limitations for which those amounts may be used.

**SUMMARY OF REVENUES, EXPENDITURES/EXPENSES**  
**AND CHANGES IN NET POSITION**  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Program revenues	\$ 17,069	\$ 16,334
General revenues	595,159	298,324
Program expenses	(5,589)	(2,385)
General expenses	<u>(112,213)</u>	<u>(268,696)</u>
Change in net position	<u>\$ 494,426</u>	<u>\$ 43,577</u>

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

The change in net position for the Authority's tenth year of operations was an increase of \$494,426.

**LONG-TERM DEBT**

There was no long term debt as of December 31, 2017. At December 31, 2016, the Authority had \$5,824,733 in long-term debt which consisted of bonds payable. During the year, the Authority's long-term debt decreased by \$5,824,733 which was the result of the principal payments and the premium amortization of the Single Family Mortgage Revenue Bonds.

**CONTACTING THE AUTHORITY'S MANAGEMENT**

This report is designed to provide a general overview of the Authority and to demonstrate the Authority's accountability for its finances. If you have any questions about this report or need additional information, please contact Matt Faust, Chairman, Finance Authority of St. Tammany Parish, 401 N. Columbia Street, Covington, LA 70433.

## **BASIC FINANCIAL STATEMENTS**

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2017**

**ASSETS:**

Cash and cash equivalents	\$ 843,127
	<u>843,127</u>

**NET POSITION:**

Unrestricted	795,058
Restricted for program expenses	<u>48,069</u>
	<u>\$ 843,127</u>

**The accompanying notes are an integral part of this statement**

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**REVENUES:**

Mortgage assistance program revenue	\$ 17,069
Investment return, net of loss	528,564
Lender commitment fees & contributions	<u>66,595</u>
 Total revenues	 <u>612,228</u>

**EXPENSES:**

Interest on bonds	61,024
Soft second mortgage program expenses	5,589
Operating expenses	<u>51,189</u>
 Total expenses	 <u>117,802</u>

Change in net position	494,426
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**NET POSITION:**

Beginning of the year	<u>348,701</u>
 End of the year	 <u><u>\$ 843,127</u></u>

**The accompanying notes are an integral part of this statement**

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:**

Interest receipts	\$ 96,205
Receipts from operating grant	17,069
Administrative expenses	(51,189)
Interest expense	(85,185)
Payments for program expenses	<u>(5,589)</u>
Net cash provided by operating activities	<u>(28,689)</u>

**CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:**

Proceeds from sale of investments	11,403,327
Investments purchased	<u>(5,577,324)</u>
Net cash provided by investing activities	<u>5,826,003</u>

**CASH FLOWS (USED IN) FINANCING ACTIVITIES:**

Bond principal payments	(5,572,676)
Amortization of bond premium	<u>(15,922)</u>
Net cash (used in) financing activities	<u>(5,588,598)</u>

Net increase in cash and cash equivalents	208,716
Cash and cash equivalents at beginning of year	<u>634,411</u>
Cash and cash equivalents at end of year	<u>\$ 843,127</u>

**RECONCILIATION OF CASH FLOWS PROVIDED BY (USED IN)****OPERATING ACTIVITIES:**

Change in net position	\$ 494,426
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:	
Gain on sale of investments	(456,415)
Changes in certain assets and liabilities:	
Interest receivable	24,056
Accrued interest	(24,161)
Commitment fees	<u>(66,595)</u>
Net cash provided by operating activities	<u>\$ (28,689)</u>

**The accompanying notes are an integral part of this statement**

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Finance Authority of St. Tammany Parish (the Authority) was created through a Trust Indenture dated September 11, 2006, pursuant to the provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended. The initial legislation and subsequent amendments granted the Authority the power to obtain funds and to use the proceeds to promote the financing of owner-occupied single family residences located in St. Tammany Parish to be owned and occupied by families or persons with qualifying incomes.

The Authority's operations consist of two single family mortgage revenue bond programs whereby the Authority promotes residential home ownership through the acquisition of mortgage loans secured by first mortgage liens on single family residential housing. The funds of these programs were obtained through the issuance of \$39,754,080 of 2007 Single Family Mortgage Revenue Bonds, dated February 1, 2007.

The administration of the Authority is governed by a board of trustees consisting of five members. All members are appointed by the St. Tammany Parish Council and serve staggered terms ranging from one to three years.

**Basis of Presentation**

The Authority's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Authority are discussed below.

The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999 and as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

**Basis of Accounting**

The Authority follows the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when the related liability is incurred. The Authority operates certain funds established by the Trust Indenture. The funds, which are maintained by the Trustee, provide for the accounting of bonds issued, debt service and bond redemption requirements, investments, and related revenues and expenses.

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2017

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

The individual funds within each bond program are aggregated in the accompanying financial statements. The Authority has no government or fiduciary funds.

**Cash and Cash Equivalents**

Under state law, the Authority may invest in United States bonds, treasury notes, or certificates. For purposes of the statement of cash flows, these are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at amortized cost.

**Use of Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles 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 and expenditures during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

Subsequent events have been evaluated through June 21, 2018, which is the date the financial statements were available to be issued.

**(2) CASH AND CASH EQUIVALENTS**

At December 31, 2017, the Authority has cash (book balances) totaling \$843,127.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2017

**(2) CASH AND CASH EQUIVALENTS (CONTINUED)**

Cash and deposits are categorized into three categories of credit risk:

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Authority or its agent, in the Authority's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the Authority's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Authority's name, and deposits which are uninsured or uncollateralized.

At December 31, 2017, the carrying amount and the bank balances of deposits of the primary government are summarized as follows:

	Bank Balances Category			Bank Balance
	1	2	3	
Cash	\$ 335,509	\$ 507,616	\$ -	\$ 843,125

**(3) LONG-TERM DEBT**

	Balance at 1/1/2017	Additions	Reductions	Balance at 12/31/2017
Single Family Mortgage Revenue Bonds, Series 2007A, issued at 104.95% premium, interest rate at 5.25%, maturing on December 1, 2039. The bond was paid in full in April of 2017.	\$ 5,155,531	\$ -	\$ 5,155,531	\$ -
Single Family Mortgage Revenue Bonds, Series 2007A, issued at 101.61% premium, interest rate at 4.85%, maturing on June 1, 2039. The bond was paid in full in April of 2017.	669,202	-	669,202	-
	\$ 5,824,733	\$ -	\$ 5,824,733	\$ -

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2017

**(3) LONG-TERM DEBT (CONTINUED)**

Pursuant to the Trust Indenture, the bonds are secured by a pledge and assignment of the Trust Estate, which includes an assignment of all payments of principal and interest on all U.S. Government securities and all other net proceeds of the U.S. Government securities, any rights of the Authority under a GNMA Guaranty Agreement pursuant to which GNMA agrees to guarantee the timely payment of principal and interest on the GNMA Securities, the Servicing Agreement, the pledged revenues and all moneys and securities from time to time held by the Trustee in the Series 2007A accounts established in each of the funds under the Indenture, except moneys and securities in the Rebate Fund and the Cost of Issuance Account, and income or interest earned and gains realized in excess of losses suffered on permitted investments of the foregoing funds. The bonds were redeemed in 2017 prior to their maturity.

Interest incurred and charged to expense for the year ended December 31, 2017 was \$61,024.

## **OTHER SUPPLEMENTARY INFORMATION**

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Board of Trustees**

**Compensation**

Matt Faust, President  
701 N. Columbia Street  
Covington, LA 70433

None

Ronald Randolph, Secretary-Treasurer  
P.O. Box 1364  
Slidell, LA 70459

None

Mike Grambel  
1695 W. Causeway Approach  
Mandeville, LA 70471

None

Pete Cavignac  
1338 Gause Blvd.  
Slidell, LA 70458

None

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Matt Faust, President

Time served	01/01/2017 - 12/31/2017
No compensation, benefits, or other payments in 2017	\$ _____ -
Total compensation, benefits, or other payments	\$ _____ -

**(See Independent Auditors' Report)**

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



**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***

To the Board of Trustees  
Finance Authority of St. Tammany Parish  
Covington, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Finance Authority of St. Tammany Parish (the Authority), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 21, 2018.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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.



Finance Authority of St. Tammany Parish  
June 21, 2018

### **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 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 21, 2018  
Mandeville, Louisiana

A handwritten signature in black ink that reads "Erickson Krentel LLP".

Certified Public Accountants

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**SECTION I SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of the Finance Authority of St. Tammany Parish.
2. No significant deficiencies disclosed during the audit are reported in the 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*.
3. No instances of noncompliance disclosed during the audit are reported in the 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*.
4. A management letter was not issued for the year ended December 31, 2017.

**SECTION II FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

None Noted

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FEDERAL AWARDS**

None Noted

**SECTION III MANAGEMENT LETTER**

Board meeting minutes was not maintained and documented.

This issue has been resolved.

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**

**ACT 774 AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2017**



**ERICKSEN KRENTEL**<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Finance Authority of St. Tammany Parish  
Covington, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Finance Authority of St. Tammany Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Finance Authority of St. Tammany Parish's compliance with certain laws and regulations during the period of January 1, 2017 to December 31, 2017, in accordance with Act 774 of 2014 Regular Legislative Session. Management of the Finance Authority of St. Tammany Parish is responsible for its financial records, establishing internal controls over financial reporting, compliance with applicable laws and regulations, and providing a corrective action plan that addresses all exceptions noted. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the 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.

Our procedures and findings are detailed in Schedule "1".

We were not engaged to perform and did not perform an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you

This report is intended solely for the use of management of the Finance Authority of St. Tammany Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

June 21, 2018  
Mandeville, Louisiana

Certified Public Accountants

FINANCE AUTHORITY OF ST. TAMMANY PARISH  
AGREED-UPON PROCEDURES  
JANUARY 1, 2017 TO DECEMBER 31, 2017

**Board (or Finance Committee, if applicable) and Open Meetings Law Compliance**

1. **Procedures:** Report whether a copy of the Open Meetings Law is posted at the location where the entity holds its meetings.

**Results:** A copy of the Open Meetings Law is posted at the location where the Authority holds its meetings.

2. **Procedures:** Obtain a listing of board/committee meetings for the fiscal period and management's representation that the listing is complete. Report how often the board/committee met (with a quorum).

**Results:** The Board of Trustees met twice in 2017. The board meetings took place on March 8<sup>th</sup> and December 13<sup>th</sup>. A third meeting scheduled for August 23, 2017 was canceled due to lack of quorum.

3. **Procedures:** Obtain board/committee minutes for all meetings for the fiscal period, and report whether the minutes included:
  - a) Date, time, and place of the meeting
  - b) The members of the public body recorded as either present or absent
  - c) The substance of all matters decided, and, at the request of any member, a record, by individual member, of any votes taken
  - d) Whether the entity provided an opportunity for public comment prior to a vote being taken

**Results:** The date, time, and place of the meetings were documented in the minutes. The minutes also contained board member attendance. The matters decided included extending the cooperative endeavor agreement between the Jefferson Parish Finance Authority and the Finance Authority of St. Tammany Parish through December 31, 2019, approving of a contract with a web designer, changing authorized signers on the Authority's bank accounts, and the approval of auditors. All votes taken were unanimous. The minutes did not include references for public comment prior to votes being taken.

FINANCE AUTHORITY OF ST. TAMMANY PARISH  
AGREED-UPON PROCEDURES (CONTINUED)  
JANUARY 1, 2017 TO DECEMBER 31, 2017

4. **Procedures:** Report whether the minutes referenced or included monthly budget-to-actual comparisons or equivalent financial information intended to allow board members to monitor the financial status and activities of the entity. Also, 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:** The Finance Authority of St. Tammany Parish reports its operations as a business-type activity and is not required to adopt a budget. The board was however presented with treasury reports and other financial information to assist the board members in monitoring the activities of the Authority. The minutes contained discussions related to non-budgetary information for at least one meeting during the fiscal period.

5. **Procedures:** Report whether the entity held an executive session during any meetings. If so, report whether:
- a. 2/3 of members present at the open meeting voted to enter an executive session
  - b. The reason for entering the executive session was included in the minutes
  - c. A notice of intent to move into Executive Session was attached to the written public notice of the meeting.
  - d. Whether the written public notice contained a statement identifying any court, case number or parties relative to any pending litigation to be considered at the meeting, and a statement identifying the parties involved and reasonable identifying the subject matter of any prospective litigation for which formal written demand has been made
  - e. If the entity entered executive session to discuss the character, professional competence, or physical/mental health of a person, report whether the entity provided written notice to the individual at least 24 hours, exclusive of weekends and legal holidays, prior to the meeting.

**Results:** There were no executive sessions held during the meetings in 2017.

6. **Procedures:** Report whether the minutes of the each selected meeting were published in the official journal of the entity.

**Results:** The Authority is not required to publish their minutes in the official journal under R.S. 42:20. However we recommend that the Authority publish their meeting minutes on their website.

**FINANCE AUTHORITY OF ST. TAMMANY PARISH**  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
JANUARY 1, 2017 TO DECEMBER 31, 2017

June 25, 2018

Louisiana Legislative Auditor

The Finance Authority of St. Tammany Parish respectfully submits the following corrective action plan for items identified pursuant to the Agreed-Upon Procedures Engagement required by Act 774 of the 2014 Regular Legislative Session.

Name and address of independent public accounting firm:

Ericksen Krentel L.L.P.  
2895 Highway 190, Ste 213  
Mandeville, LA 70471

Engagement Period: January 1, 2017 – December 31, 2017

The finding from the Agreed-Upon Procedures Report is discussed below.

**Public participation in open meetings**

**Result of Procedure:** The minutes did not include references to periods of opportunity for public comment.

**Response:** The Authority will document in the minutes the opportunity given for a public comment period prior to action on an agenda item upon which a vote is to be taken.

**Publishing of the board minutes**

**Result of Procedure:** The Authority is not required to publish their minutes in the official journal under R.S. 42:20. However we recommend that the Authority publish their meeting minutes on their website.

**Response:** Management agrees with the recommendation and will contact their web designer and discuss adding minutes to their website.

If there are any questions regarding this plan, please contact Ron Randolph, Treasurer, at (985) 640-4058.

Sincerely,



Signature

SECRETARY/TREASURER

Title