

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL DATA**

**TWELVE MONTHS ENDED SEPTEMBER 30, 2018**

**Mike Estes, P.C.**  
A Professional Accounting Corporation

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AUDIT QUALITY CENTER

Independent Auditor's Report

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

***Report on the Financial Statements***

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of St. Charles Parish, Louisiana as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority of St. Charles Parish, Louisiana basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of the City of St. Charles Parish, Louisiana, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

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

### ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of St. Charles Parish, Louisiana's basic financial statements. The statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement of modernization costs-uncompleted, financial data schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other information as listed on the table of contents is the responsibility of management and was derived from

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019 on our consideration of the Housing Authority of the City of St. Charles Parish, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the City of St. Charles Parish, Louisiana's internal control over financial reporting and compliance.

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
March 26, 2019

# Housing Authority of St Charles Parish, Louisiana

## Management's Discussion and Analysis

For the Year Ended September 30, 2018

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

This financial report is designed to provide an overview of the Authority's total financial picture for the fiscal year ending September 30, 2018, for those with an interest. We encourage readers to consider the information presented here in conjunction with the Housing Authority's included audited financial statements.

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

### FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by \$269,148 during the fiscal year.
- The Authority's operating revenue increased by \$714,867 during the fiscal year.
- The Authority's operating expenses increased by \$132,725 during the fiscal year.
- At the close of the current fiscal year, the Authority's Assets exceeded its Liabilities by \$1,698,740.
- The Authority administers federal, state and local grants to benefit the low income and elderly citizens of St Charles Parish, Louisiana.

### OVERVIEW OF FINANCIAL STATEMENTS

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

# Housing Authority of St Charles Parish, Louisiana

## Management's Discussion and Analysis

For the Year Ended September 30, 2018

The follow statements are included:

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

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

# Housing Authority of St Charles Parish, Louisiana

## Management's Discussion and Analysis

For the Year Ended September 30, 2018

### Financial Analysis

#### Condensed Statement of Net Position

	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
<b>Assets</b>			
Current assets	\$ 81,965	\$ 120,618	\$ (38,653)
Restricted assets	48,230	156,286	(108,056)
Capital assets (net)	<u>1,686,464</u>	<u>1,842,995</u>	<u>(156,531)</u>
Total Assets	<u>1,816,659</u>	<u>2,119,899</u>	<u>(303,240)</u>
<b>Liabilities</b>			
Current liabilities	80,414	114,077	(33,663)
Tenant security deposits	20,896	21,325	(429)
Noncurrent liabilities	<u>16,609</u>	<u>16,609</u>	<u>-</u>
Total Liabilities	<u>117,919</u>	<u>152,011</u>	<u>(34,092)</u>
<b>Net Position</b>			
Net Investment in capital assets	1,686,464	1,842,995	(156,531)
Restricted - HAP Equity	189,038	273,420	(84,382)
Unrestricted	<u>(176,762)</u>	<u>(148,527)</u>	<u>(28,235)</u>
Total Net Position	<u>1,698,740</u>	<u>1,967,888</u>	<u>(269,148)</u>
Total Liabilities and Net position	<u>\$ 1,816,659</u>	<u>\$ 2,119,899</u>	<u>\$ (303,240)</u>

Current Assets decreased by \$38,653.

Net Capital Assets decreased by \$156,531. This decrease is a result of depreciation expense exceeding the completion of capital improvements undertaken by the Authority during the year

Current Liabilities decreased by \$33,663 as a result of decreased accounts payable to vendors, offset by an increase in unearned income and interfund payable FYE 2018 as compared to FYE 2017.

Noncurrent Liabilities remained the same as FYE 2017.

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

- Net investment in capital assets - capital assets, net of accumulated depreciation and related debt, is the capital asset balance offset by long-term debt activity;
- Restricted - the Authority's net position whose use is subject to constraints imposed by law or agreement consisting of Section 8 housing assistance payments (HAP) reserves;

# Housing Authority of St Charles Parish, Louisiana

## Management's Discussion and Analysis

For the Year Ended September 30, 2018

- Unrestricted - the Authority's net position that are neither invested in capital assets nor restricted which increase principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors.

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

	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
<b>OPERATING REVENUES</b>			
Dwelling rental	\$ 395,271	\$ 357,230	\$ 38,041
Governmental operating grants	2,466,358	1,781,406	684,952
Other	54,243	62,369	(8,126)
Total Operating Revenues	<u>2,915,872</u>	<u>2,201,005</u>	<u>714,867</u>
<b>OPERATING EXPENSES</b>			
Administration	453,782	494,984	(41,202)
Tenant services	2,353	2,450	(97)
Utilities	235,232	242,034	(6,802)
Ordinary maintenance & operations	267,026	239,456	27,570
General expenses	136,470	165,471	(29,001)
Depreciation	223,854	243,928	(20,074)
Extraordinary maintenance	5,150	15,475	(10,325)
Housing assistance payments	<u>1,861,236</u>	<u>1,648,580</u>	<u>212,656</u>
Total Operating Expenses	<u>3,185,103</u>	<u>3,052,378</u>	<u>132,725</u>
Income (Loss) from Operations	(269,231)	(851,373)	582,142
Non-Operating Revenues (Expenses):			
Interest earnings	83	312	(229)
Gain (Loss) on sale of capital assets	-	75	(75)
Total Non-Operating Revenues	<u>83</u>	<u>387</u>	<u>(304)</u>
Income (Loss) before contribution	<u>(269,148)</u>	<u>(850,986)</u>	<u>581,838</u>
Capital Contributions (grants)	-	144,521	(144,521)
Change in net position	(269,148)	(706,465)	437,317
Total net position – beginning	<u>1,967,888</u>	<u>2,674,353</u>	<u>(706,465)</u>
Total net position – ending	<u>\$ 1,698,740</u>	<u>\$ 1,967,888</u>	<u>\$ (269,148)</u>

# Housing Authority of St Charles Parish, Louisiana

## Management's Discussion and Analysis

For the Year Ended September 30, 2018

**Operating Revenue** increased by \$714,867 for the 2018 fiscal year. This increase represents an increase in dwelling rentals and governmental operating grants, offset by a decrease in other revenue.

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

Total operating expenses increased by \$132,725. This increase is attributed to increases in ordinary maintenance and operations and housing assistance payments, offset by decreases in administration, tenant services, utilities, general expenses, depreciation and extraordinary maintenance expense, for the 2018 fiscal year.

Administration Expenses decreased by \$41,202. Most of the decrease is attributable to decreases in administrative salaries, administrative employee related expenses and other administrative expenses, offset by increases in auditing fees, advertising and marketing expenses, office expenses, as well as, legal and travel expenses for the 2018 fiscal year.

Ordinary Maintenance and Operations Expense increased by \$27,570 for the 2018 fiscal year. The increase is mainly related to increases in maintenance salaries, materials and maintenance employee related expenses, offset by a decrease in contract costs incurred in the continuation of unit turnaround efforts for the 2018 fiscal year.

General Expense decreased by \$29,001 for the 2018 fiscal year. Most of this decrease is attributable to decreases in other general expenses, compensated absences, tenant bad debt expense and insurance expenses, offset by an increase in payments in lieu of taxes and other bad debt expense.

Extraordinary Maintenance Expense decreased by \$10,325. Most of these expenses relate to extraordinary costs associated with the necessary repairs to broken water lines in the 2018 fiscal year.

Housing assistance payments increased by \$212,656. This increase is attributable to increases in housing assistance payments to landlords and tenants for the 2018 fiscal year.

**Non-Operating Revenues** decreased by \$304 mainly due to a decrease in interest earnings and gain on sale of fixed assets for the 2018 fiscal year.

**Capital Contributions** decreased by \$144,521 due to a decrease in capital grant contributions received during the 2018 fiscal year.

# Housing Authority of St Charles Parish, Louisiana

## Management's Discussion and Analysis

For the Year Ended September 30, 2018

### CAPITAL ASSET AND DEBT ACTIVITY

The Authority's capital assets as of September 30, 2018, amounts to \$1,686,464 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, furniture and equipment, construction in progress and accumulated depreciation. The total decrease in the Authority's capital assets for the current fiscal year was \$156,531.

### Capital Assets, Net of Accumulated Depreciation

	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
Land	\$ 13,028	\$ 13,028	\$ -
Buildings and improvements	8,762,793	8,545,448	217,345
Furniture and equipment	300,175	307,202	(7,027)
Construction in Progress	-	150,021	(150,021)
Accumulated Depreciation	<u>(7,389,532)</u>	<u>(7,172,704)</u>	<u>(216,828)</u>
Total	<u>\$ 1,686,464</u>	<u>\$ 1,842,995</u>	<u>\$ (156,531)</u>

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

### DEBT

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

### *FACTORS AFFECTING NEXT YEAR'S BUDGET*

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

### *ECONOMIC FACTORS*

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development and new rules and regulations, which could be unfunded;
- Local labor supply and demand, which can affect salary and wage rates;
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of tenant rental income, as well as, the Housing Assistance Payments (HAP) to landlords;
- Natural disasters which can have a devastating impact on the local economy;
- Inflationary pressure on utility rates, supplies and other costs; and
- Unemployment rates which can have an effect on rent.

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

SEPTEMBER 30, 2018

	General	Section Eight	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 19,781	\$ 0	\$ 19,781
Accounts receivable net	4,194	589	4,783
Prepaid items and other assets	36,978	12,854	49,832
Restricted assets - cash and cash equivalents	20,896	27,334	48,230
Interfund receivable	7,569	0	7,569
	<u>89,418</u>	<u>40,777</u>	<u>130,195</u>
Capital Assets, net			
Land and other non-depreciated assets	13,028	0	13,028
Other capital assets - net of depreciation	1,671,960	1,476	1,673,436
	<u>1,684,988</u>	<u>1,476</u>	<u>1,686,464</u>
Total Assets	<u>\$ 1,774,406</u>	<u>\$ 42,253</u>	<u>\$ 1,816,659</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 23,133	\$ 19,201	\$ 42,334
Unearned income	20,867	0	20,867
Compensated absences payable	6,982	2,662	9,644
Deposits due others	20,896	0	20,896
Interfund payable		7,569	7,569
	<u>71,878</u>	<u>29,432</u>	<u>101,310</u>
Noncurrent Liabilities			
Compensated absences payable	12,657	3,952	16,609
	<u>84,535</u>	<u>33,384</u>	<u>117,919</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,684,988	1,476	1,686,464
Restricted for:			
HAP Equity	0	189,038	189,038
Unrestricted	4,883	(181,645)	(176,762)
	<u>1,689,871</u>	<u>8,869</u>	<u>1,698,740</u>
Net Position	<u>\$ 1,689,871</u>	<u>\$ 8,869</u>	<u>\$ 1,698,740</u>

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

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

YEAR ENDED SEPTEMBER 30, 2018

	General	Section Eight	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUES</b>			
Dwelling rental	\$ 395,271	\$ 0	\$ 395,271
Governmental operating grants	529,870	1,936,488	2,466,358
Other- dwelling income	15,677	0	15,677
Other	29,454	9,112	38,566
	<u>970,272</u>	<u>1,945,600</u>	<u>2,915,872</u>
<b>OPERATING EXPENSES</b>			
Administration	272,075	181,707	453,782
Tenant services	2,353	0	2,353
Utilities	235,232	0	235,232
Ordinary maintenance & operations	267,026	0	267,026
General expenses	114,653	21,817	136,470
Depreciation	223,279	575	223,854
Extraordinary maintenance	5,150	0	5,150
Housing assistance payments	0	1,853,861	1,853,861
Housing assistance- Ports In	0	7,375	7,375
	<u>1,119,768</u>	<u>2,065,335</u>	<u>3,185,103</u>
Income (Loss) from Operations	<u>(149,496)</u>	<u>(119,735)</u>	<u>(269,231)</u>
Non Operating Revenues (Expenses)			
Interest earnings	61	22	83
	<u>61</u>	<u>22</u>	<u>83</u>
Income (Loss) before contribution	<u>(149,435)</u>	<u>(119,713)</u>	<u>(269,148)</u>
Capital Contribution	0	0	0
	<u>(149,435)</u>	<u>(119,713)</u>	<u>(269,148)</u>
Change in net position	<u>(149,435)</u>	<u>(119,713)</u>	<u>(269,148)</u>
Total net position - beginning	<u>1,839,306</u>	<u>128,582</u>	<u>1,967,888</u>
Total net position - ending	<u>\$ 1,689,871</u>	<u>\$ 8,869</u>	<u>\$ 1,698,740</u>

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

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

YEAR ENDED SEPTEMBER 30, 2018

	General	Section Eight	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rental receipts	\$ 399,798	\$ 0	\$ 399,798
Other receipts	37,060	20,769	57,829
Federal grants	566,806	1,936,488	2,503,294
Payments to vendors	(609,538)	(68,541)	(678,079)
Payments to employees – net	(316,451)	(135,129)	(451,580)
Payments to private landlords	0	(1,861,236)	(1,861,236)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided (used) by operating activities	77,675	(107,649)	(29,974)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(67,324)	0	(67,324)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided (used) by capital and related financing activities	(67,324)	0	(67,324)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	62	22	84
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided (used) by investing activities	62	22	84
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	10,413	(107,627)	(97,214)
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of Fiscal Year	30,264	134,961	165,225
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>CASH AND CASH EQUIVALENTS</b>			
End of Fiscal Year	\$ 40,677	\$ 27,334	\$ 68,011
	<u>                    </u>	<u>                    </u>	<u>                    </u>

Continued

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

YEAR ENDED SEPTEMBER 30, 2018

	General	Section Eight	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (149,496)	\$ (119,735)	\$ (269,231)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	223,279	575	223,854
Provision of uncollectible accounts	10,088	2,222	12,310
Change in assets and liabilities:			
Receivables	24,910	0	24,910
Prepaid items	19,521	1,514	21,035
Account payables	(59,656)	1,584	(58,072)
Accrued comp/payroll taxes	2,287	(1,378)	909
Deposits due others	(429)	0	(429)
Unearned income	14,740	0	14,740
Interfund changes	(7,569)	7,569	0
Net cash provided (used) by operations	<u>\$ 77,675</u>	<u>\$ (107,649)</u>	<u>\$ (29,974)</u>

Concluded

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

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

SEPTEMBER 30, 2018

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

SEPTEMBER 30, 2018

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

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

The Housing Authority has the following units:

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

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

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

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

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

SEPTEMBER 30, 2018

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

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

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

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

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

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

SEPTEMBER 30, 2018

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

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$68,011. This is comprised of cash and cash equivalents of \$19,781 and restricted assets – cash of \$48,230, on the statement of net position.

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

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

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

Definitions:

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

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

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

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

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

SEPTEMBER 30, 2018

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

Site improvements	15 years
Buildings	15-44 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

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

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

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

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

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

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

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

SEPTEMBER 30, 2018

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

**NOTE 2 – DEPOSITS AND INVESTMENTS** The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2018. Deposits are stated at cost, which approximates fair value.

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

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

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

Restricted Cash: \$20,896 is restricted in the General Fund for security deposits. \$27,334 is restricted in the Housing Choice Voucher fund for HAP Equity.

At September 30, 2018, the Housing Authority's carrying amount of deposits was \$68,011 and the bank balance was \$104,215. The entire bank balance was covered by FDIC insurance.

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

SEPTEMBER 30, 2018

**NOTE 3 – ACCOUNTS RECEIVABLE** The receivables at September 30, 2018, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Section Eight</u>	<u>Total</u>
Local sources:			
Tenants	\$ 3,753	\$ 0	\$ 3,753
Other	441	0	441
Federal sources:			
Grants	0	589	589
Total	<u>\$ 4,194</u>	<u>\$ 589</u>	<u>\$ 4,783</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$12,775.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets				
Land and buildings	\$ 13,028	\$ 0	\$ 0	\$ 13,028
Construction in progress	150,021	0	150,021	0
Depreciable assets:				
Buildings	8,545,448	217,345	0	8,762,793
Furniture and equipment	307,202	0	7,027	300,175
Total capital assets	<u>9,015,699</u>	<u>217,345</u>	<u>157,048</u>	<u>9,075,996</u>
Less: accumulated depreciation				
Buildings	6,879,495	222,486	0	7,101,981
Furniture and equipment	293,209	1,369	7,027	287,551
Total accumulated depreciation	<u>7,172,704</u>	<u>223,855</u>	<u>7,027</u>	<u>7,389,532</u>
Total capital assets, net	<u>\$ 1,842,995</u>	<u>\$ (6,510)</u>	<u>\$ 150,021</u>	<u>\$ 1,686,464</u>

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

SEPTEMBER 30, 2018

**NOTE 5 – ACCOUNTS PAYABLE** The payables at September 30, 2018 are as follows:

	General		Section Eight		Total
Vendors	\$ 13,128	\$	8,254	\$	21,382
Payroll taxes & Retirement withheld	10,005		1,342		11,347
HUD	0		9,605		9,605
Total	\$ 23,133	\$	19,201	\$	42,334

**NOTE 6 – COMPENSATED ABSENCES** At September 30, 2018, employees of the Housing Authority have accumulated and vested \$26,253 of employee leave computed in accordance with GASB, Codification Section C60.

**NOTE 7 – LONG-TERM OBLIGATIONS** The following is a summary of the long-term obligation transactions for the year ended September 30, 2018.

	Compensated Absences
Balance, beginning	\$ 26,253
Net change	0
Balance, ending	26,253
Amounts due in one year	\$ 9,644

**NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES** At September 30, 2018, the Housing Choice Voucher Fund owes the General Fund \$7,569.

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

SEPTEMBER 30, 2018

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

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

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

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

The Housing Authority made the required contributions of \$9,755 for the year ended September 30, 2018, of which \$6,061 was paid by the Housing Authority and \$3,694 was paid by employees. No payments were made out of the forfeiture account.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

**Commitments** The Authority entered into an Employment Agreement with a new Executive Director, effective June 27, 2018. The Agreement is for one year. The Authority has the option to extend for two additional one year extensions by a simple majority vote of the Board. Failure to vote to extend the contract terminates the Agreement. If the Agreement is terminated for cause, the Authority is obligated to pay the Director only the annual salary for work and time already performed.

**Litigation** The Authority is the defendant in a lawsuit filed by a former employee. The Authority's legal counsel asserts that if the lawsuit proceeds, the Authority will mount a vigorous defense. In the event the Authority should lose the suit, insurance should cover any cash outlay.

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

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

SEPTEMBER 30, 2018

**Construction Projects** There are certain renovation or construction projects in progress at September 30, 2018. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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

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

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

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council, Inc. Group Self Insurance Risk Management Agency risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

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

**NOTE 11 – ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$2,466,358 to the Housing Authority, which represents approximately 85% of the Housing Authority's total revenue and capital contributions for the year.

**NOTE 12 - SUBSEQUENT EVENTS** Management has evaluated events and transactions subsequent to the statement of net position date through, March 26, 2019, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.



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Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Independent Auditor's Report

Housing Authority of St. Charles Parish  
St. Charles Parish, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund of the Housing Authority of the City of St. Charles Parish, Louisiana, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of St. Charles Parish, Louisiana's basic financial statements, and have issued our report thereon dated March 26, 2019.

***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Housing Authority of St. Charles Parish, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Audit Findings 2018-001, 002, 003, and 004.

### ***Response to Finding***

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

### ***Purpose of this Report***

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

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
March 26, 2019



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AUDIT QUALITY CENTER

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

Independent Auditor's Report

Housing Authority of St. Charles Parish  
St. Charles Parish, Louisiana

***Report on Compliance for Each Major Federal Program***

We have audited the Housing Authority of the City of St. Charles Parish, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of St. Charles Parish, Louisiana's major federal programs for the year ended September 30, 2018. The Housing Authority of the City of St. Charles Parish, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

### ***Basis for Qualified Opinions on Section Eight Housing Choice Voucher Program***

As described in the accompanying schedule of findings and questioned costs, the Housing Authority of St. Charles Parish, Louisiana did not comply with the requirements regarding the Section Eight Housing Choice Voucher Program as described in the Audit Finding 2018 – 001 for Allowable Costs.

### ***Qualified Opinions on Section Eight Housing Choice Voucher Program***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions paragraph, the Housing Authority of St. Charles Parish, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Section Eight Housing Choice Voucher Program for the year ended September 30, 2018.

### ***Other Matters***

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

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

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such

that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as audit findings 2018-001 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance. We did not note any significant deficiencies in internal control.

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

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

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

We have audited the financial statements of Housing Authority of St. Charles Parish, Louisiana as of and for the year ended September 30, 2018, and have issued our report thereon dated March 26, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
March 26, 2019

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

YEAR ENDED SEPTEMBER 30, 2018

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 529,870
Housing Choice Voucher	14.871	1,936,488
Total United States Department of Housing and Urban Development		\$ 2,466,358
Total Expenditures of Federal Awards		\$ 2,466,358

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED SEPTEMBER 30, 2018

**NOTE 1 – BASIS OF PRESENTATION** The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the City of St. Charles Parish, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended September 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 2,466,358
Capital contributions	0
Total	\$ 2,466,358

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

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

YEAR ENDED SEPTEMBER 30, 2018

**Section I – Summary of the Auditor’s Results**

**Financial Statement Audit**

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

**Audit of Federal Awards**

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

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

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

YEAR ENDED SEPTEMBER 30, 2018

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

Section Eight Housing Fund – CFDA #14.871

Finding 2018– 001 – Insufficient Restricted Cash and Deficit in Unrestricted Net Position – Allowable Costs

Criteria and Condition

The Restricted Net Position balance at September 30, 2018 was \$189,038. \$173,255 of remaining funds from the DHAP Katrina program, presently reserved for future HUD-designated disaster programs, comprises part of this amount. \$15,783 was the balance of the Housing Choice Voucher Program. The total restricted cash was \$27,334 with the \$246,086 shortage of cash related to the total reserved balance existing in the Housing Choice Voucher Program (\$273,420 less \$27,334).

In addition, the Unrestricted Net Position was a deficit of \$181,645. This balance should not show a deficit.

In addition, the Section Eight Fund owes the General Fund \$7,569 at year-end.

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

Context

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

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

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

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

YEAR ENDED SEPTEMBER 30, 2018

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

Effect

The PHA did not have sufficient cash on hand at year-end to pay its obligation for HAP payments. However, we note that monthly HAP checks are only released after the monthly federal direct deposit arrives at the bank. In addition, the PHA had paid cumulatively to date, September 30, 2018, \$181,645 more for administrative expenses from funds not designated for administrative expenses, but instead from funds designated by HUD funding for HAP payments, including in essence also incorrectly borrowing from the \$173,255 remaining cash of the DHAP-Katrina Fund.

Cause

The bottom line answer for the deficit of \$181,645 in Unrestricted Equity is that the Authority spent more for Administrative Costs (all costs other than Housing Assistance Payments) than HUD allowed the Authority by HUD formula and drawdowns. It appears too many personnel and contractors have been utilized by the Housing Choice Voucher Program recently, especially compared to Authorities with comparable sized programs.

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

Administrative costs for the Section Eight Program decreased from \$209,102 for the fiscal year ended 2017 to \$181,707 for the year ended September 30, 2018. The \$181,707 still exceeded the \$167,617 HUD allocated for Admin costs for the year.

In regards to the shortage of cash compared to what is required, HUD is holding reserves of approximately \$173,669 as of February 2019.

Questioned Costs

None.

Recommendation

The Authority hired a new Executive Director, who started in late June 2018. She has reduced expenses. The new E.D. should continue to look for ways to evaluate expenses as to their benefit and necessity.

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

YEAR ENDED SEPTEMBER 30, 2018

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

Views of Responsible Officials and Planned Corrective Actions

I am Leatrice Hollis and Designated Person to answer these audit findings. We will continue to reduce expenses where it is possible.

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

YEAR ENDED SEPTEMBER 30, 2018

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

General Fund-Low Rent Program-CDFA #14.850

Finding 2018-002-Procurement and Monitoring Procedures Inadequate-Procurement

Criteria and Condition

Management should both obtain and retain multiple quotes for various goods and services, including contract rehabilitation work. In addition, written monitoring notes should be made by someone qualified who works for the Authority, and retained of the progress and quality of the rehab work.

Context

The largest contract during the fiscal year was \$48,562 for interior renovations relating to multiple units. The second largest group of payments to a single source was approximately \$19,000 to a plumbing contractor. The third largest single source of payments was \$15,000. Several aggregate amounts were paid to individual entities ranging from \$4,500 to \$7,500.

Cause

Bid information was available for the last audits. Either prior Management ceased obtaining quotes, or the quote information was not available to the new Executive Director, who began in June 2018. Monitoring notes, while needing improvement, were available in the last audits. Again, either prior Management ceased generating monitoring notes, or the notes were not available to the new Executive Director.

Effect

The documentation is not available that shows the Authority secured and evaluated the goods and services offered by multiple entities, which if done, would better ensure that that the best quality and lowest prices were used. It is possible that Management or a designate, such as an experienced Maintenance person, may be constantly monitoring the progress and quality of the work of rehab and other contractors, without generating written documentation.

However, if there is no written documentation of monitoring, third parties, including auditors, are not provided adequate evidence of such monitoring. In addition, written monitoring notes are a federal requirement. HUD has determined that with lawsuits regarding non-performance and related issues, the Authority is in its best position if thorough, timely, monitoring notes are made by Authority personnel who are experienced in the type of rehab or related service rendered.

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

YEAR ENDED SEPTEMBER 30, 2018

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

The Authority did not utilize an architect. When the latter is used, Management should retain the architect's field reports. However, even when an architect is used, the Authority is still required to generate monitoring notes.

Recommendation

Management must be aware of the procurement thresholds, for both federal and state. The Authority's adopted policy can be even more restrictive, but must be at least as restrictive as the most restrictive-federal or state. In a March 12, 2019 email, HUD informed PHAs that the small purchase threshold had been raised to \$10,000. However, the Louisiana state law threshold is \$5,000. Therefore, multiple quotes should be taken for all goods and services above \$5,000, or a lower amount, if the Authority's policy sets the threshold at less than \$5,000.

When the Authority anticipates that multiple purchases of the same item or service within a year will exceed \$5,000 [or a lesser amount if the Authority's threshold is lower], the Authority should obtain multiple quotes. A good example is when an entity purchases a single stove, but the entity knows that it will purchase a minimum of ten stoves a year, which in aggregate will exceed \$5,000. For small continual purchases like stoves, we suggest the Authority periodically, perhaps semi-annually, document the various prices, including using the internet, and note the reason a vendor was selected. This does not have to be done with every single stove purchase.

Corrective Action Plan-Response

We will do as the auditor suggests in the future. We will start immediately.

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

YEAR ENDED SEPTEMBER 30, 2018

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

General Fund-Low Rent Program CDFA #14.850

Finding 2018-003-Inventory of Equipment Needs Updating-Equipment and Real Property Management

Criteria and Condition

The inventory of equipment should be taken and records reconciled at least every two years, per federal regulations. A periodic equipment inventory is also required by state law.

Context

The Authority provides ranges and refrigerator for every unit. Sometimes they are also kept in inventory. The Authority also utilizes various types of maintenance equipment and vehicles.

Cause

Management has made available updated inventory records in the past. However, it appears that an inventory has not been taken in the last two years.

Questioned Costs

None

Recommendation

Serial numbers of ranges and refrigerators should be taken and listed by unit number. To comply with state law, Management should obtain a list of pre-numbered stick-ons or tabs from an office supply. Office and maintenance equipment should be tagged and listed, office room by room and shop. A third party should be able to take the list and identify the particular area of the listed furniture item or shop equipment. Thereafter, the inventory should be taken on a regular basis, but at least every two years.

For furniture and equipment that are still listed on the depreciation schedule that are no longer used or present, they should be removed from the depreciation schedule. For at least the larger amounts, inquiries should be made as to the unexplained exit. But even when an answer is not available, absent items should still be removed from the depreciation schedule.

Corrective Action Plan-Response

We will comply with the auditor's recommendation and finalize an updated inventory within the next ninety days.

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

YEAR ENDED SEPTEMBER 30, 2018

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

Low Rent Program #14.850

Finding 2018-004-Lack of Documented Quality Control-Special Tests

Criteria and Condition

Documentation of quality control review, if any, of the Low Rent waiting list, tenant files, and inspections was not available.

Context

Generally accepted auditing standards require the auditor to review the adequacy of documented quality control review of all significant functions of Authority operations, including the waiting list, tenant files, and inspections. This covers Section Eight, Low Rent, and any other programs the Authority might engage in the future. The documented quality control samples for Section Eight were adequate.

We reviewed the waiting lists, tenant files, and documentation of inspections for Section Eight and Low Rent. No exceptions were noted.

Cause

Prior management may have done and documented the reviews. However, if done, they were not available to the new Executive Director, who started in June 2018.

Questioned Costs

None

Recommendation

Quality control samples should be performed and documented for Low Rent. We have discussed with current Management how to document this.

Corrective Action Plan-Response

We have already begun to perform and document quality control tests for Low Rent. We will continue to do so.

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

YEAR ENDED SEPTEMBER 30, 2018

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

Audit Finding 2018-001 also applies here.

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

YEAR ENDED SEPTEMBER 30, 2018

See Views of Responsible Officials and Planned Corrective Actions in the Schedule of Findings and Questioned Costs on pages 34, 36, 37, and 38.

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

YEAR ENDED SEPTEMBER 30, 2018

Section Eight Housing Program-CDFA #14.871

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

Condition

The balance of unrestricted cash compared to the required amount was not sufficient. In addition, there was a deficit in unrestricted net position.

Recommendation

Expenses should be lowered where possible. All authorized vouchers should be issued.

Current Status

The situation still exists. See Finding 2018-001.

General Fund-Low Rent Program-CDFA #14.850

Finding 2017-002-Excessive Costs in Low Rent Program-Allowable Costs

Condition

Administrative and Maintenance Salaries appeared to be excessive, when compared to similar-sized PHAs.

Recommendation

We recommended that expenses be re-evaluated and reduced where possible.

Current Status

Expenses have been reduced. However, the new Executive Director should continue to review expenses and reduce them, when possible.

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

YEAR ENDED SEPTEMBER 30, 2018

General Fund-Low Rent Program-CDFA #14.850

Finding 2017-003-Unauthorized Salaries-Allowable Costs  
Condition

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

Recommendation

We suggested this matter be discussed with Civil Service and that the Service's recommendations be followed.

Current Status

This finding is not repeated.

All Programs

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

The audit report was not filed within six months of the end of the fiscal year, which is the state filing deadline.

Recommendation

The audit process should be timely started and finished.

Current Status

The finding is not repeated.

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

YEAR ENDED SEPTEMBER 30, 2018

To Management and the Board of Commissioners:

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

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum contained in this letter summarizes the disposition of the prior year comments.

Our recommendations are as follows:

2017-M1-Use of Personal Computers

The former Executive Director performed Authority related assignments on a personal computer. We suggested that all written records and documents be maintained on the Authority's information system.

Current Status

The situation was corrected. This item is not repeated in this audit.

2017-M2-Capital Fund Documentation

The documentation of written monitoring reports on the progress of rehabilitation work needed to be improved.

Current Status

This is repeated as part of Finding 2018-002.

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

YEAR ENDED SEPTEMBER 30, 2018

2017-M3-Time Cards

We noted that everyone punched time cards, except two unclassified [non Civil Service] personnel. However, neither the employee nor a supervisor signed the cards. We recommended that the Executive Director, and any other employees that do not punch time cards should keep sheets that document the total hours worked each day. These records should be signed by the employee and either another employee or a board member.

Current Status

The new Executive Director has installed a new time keeping system and she is diligently supervising the payroll function. This item is not repeated in the current audit.

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

Views of Responsible Officials and Planned Corrective Response

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

**SUPPLEMENTARY INFORMATION**

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

YEAR ENDED SEPTEMBER 30, 2018

CASH BASIS

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

See accountant's report

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

YEAR ENDED SEPTEMBER 30, 2018

**Agency Head Name:** Leatrice Hollis, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 16,961
Benefits-insurance	
Benefits-retirement	
Benefits	
Car allowance	
Vehicle provided by government	
Per diem	200
Reimbursements	169
Travel	
Registration fees	595
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
<b>Total</b>	<b>\$ 17,925</b>

See accountant's report



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and the  
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AUDIT QUALITY CENTER

## AGREED UPON PROCEDURES REPORT

### Independent Accountant's Report On Applying Agreed-Upon Procedures

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

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

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

The procedures and associated findings are as follows:

#### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - 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
- 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**, 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.

Results of Testing:

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

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

We also note that since the expenditures per the audit year exceeded \$500,000, a notice should have been posted and also published in a local publication at least ten days before a public hearing to adopt the annual operating budget. If done as part of the 5 Year Plan, HUD requires even more advance notice. We also recommended this last year.

Corrective Action Response:

I am Leatrice Hollis. I was appointed as the new Executive Director in June 2018. We will follow the auditor's recommendations as noted above.

Board or Finance Committee

---

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results of Testing:

- a) The board met with a frequency in accordance with its governing document.
- b) The minutes did not note that the board reviewed year-to-date actual-to-budget comparisons of expenses and income. This review should be done and documented at every board meeting.
- c) The ending balance of the unrestricted fund balance in the prior year was a negative amount for both the General Fund and the Section Eight Fund. Management addressed the negative balances in the board minutes. For the audit year, the General Fund has a positive amount. The Section Eight Fund still has a negative unrestricted fund balance. See Audit Finding 2018-001.

Corrective Action Response:

We will comply with the auditor's suggestion as noted in [b] above. Regarding [c] above, we will follow the auditor's recommendation as listed at Audit Finding 2018-001.

**Bank Reconciliations**

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- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results of Testing:

As noted in Year 2 instructions, if this category had no exceptions in Year 1, Year 2 tests may be omitted. Since there were no Year 1 exceptions, these tests are omitted.

*Collections*

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results of Testing:

All employees who have access to cash are covered by a bond for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results of Testing:

There is only one location to receive payments

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results of Testing:

- a) at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) at least two employees are involved in processing and approving payments to vendors.
- c) the employee responsible for processing payments is prohibited from adding/modifying vendor files.
- d) either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Corrective Action Response:

Tightening the above procedures was one of the first items I addressed after I was appointed Executive Director.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results of Testing:

- a) the disbursements tested matched the original invoice/billing statement.
- b) the disbursement documentation included evidence of segregation of duties tested under #9.

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

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- 11. 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.

Results of Testing:

Management represents that the listing is complete.

12. 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.

Results of Testing:

- a) Someone assigned by Management should initial or sign at in a consistent area of the monthly statement for fuel charges which indicates that the reviewer has agreed to itemized charges to the individual slips.
- b) We noted no finance charges or late fees in our tests.

Corrective Action Response:

We will comply with the recommendation noted in [a] above. We are now using Fuel Man, which assists our documentation of fuel charges.

13. 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).

Results of Testing:

In our tests, we noted no monthly statements that included individual charges that were not supported by attached slips signed by an employee.

*Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Testing:

The only exception to the above is that the per diem is a flat amount. The Travel Policy should be revised so that the rate reflected at [www.gsa.gov](http://www.gsa.gov), as noted in [a] above.

Corrective Action Response:

We will revise the Travel Policy, as noted above.

***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results of Testing:

- a) we were unable to review evidence of bids. See Audit Finding 2018-002.
- b) it does not appear that board approval was required for the contracts initiated during the year. The largest was for \$48,562. The second aggregate group of payments was \$19,000 paid to a plumbing contractor.
- c) we did not note any amendments of contracts.
- d) we reviewed several payments as part of the regular audit and noted no exceptions in reviewing the detail attached to the contract payment.

Corrective Action Response:

We will obtain bids in the future, and follow the recommendation of Audit Finding 2018-002.

***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results of Testing:

No exceptions were noted in reviewing salaries and pay rates to the tested employees.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results of Testing:

- a) we noted exceptions in that some employees did not have their time sheet signed by another employee or board member. Everyone, including the Executive Director, should maintain a time sheet that at least lists the total hours worked that day. The sheet should be signed by another employee or board member.
- b) the Authority did not have an Executive Director before one was appointed in late June. Exceptions were noted in the record keeping of earned and accrued leave. It appears the present system is adequately tracking this information.
- c) the leave records were misstated by an immaterial amount at year-end. The record keeping is now considered adequate.

Corrective Action Response:

I will ensure that the time sheets are signed by all employees and signed by a second person. Since I became the Executive Director, I have installed a new time keeping system.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results of Testing:

No termination payments were noted in the audit year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results of Testing:

Since there were no Year 1 exceptions in this category, these tests are omitted.

*Ethics*

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results of Testing:

- a) one of the five employees/board members tested did not obtain the hour of required ethics training.
- b) there is no documentation that the employees or board members attested in writing that they read the Ethics Policy.

All employees should obtain documentation that they obtained one hour of ethics training each year. In addition, Management should obtain documentation each year that each employee and board member have read the Ethics Policy.

Corrective Action Response:

We will comply with the above.

## ***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results of Testing:

Not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Results of Testing:

Not applicable.

## ***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results of Testing:

Management asserts that there were no misappropriations of public funds or assets during the fiscal period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Testing:

The notice is properly posted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
March 26, 2019

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

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Balance Sheet Summary						
	Project Total	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$19,781			\$19,781		\$19,781
112 Cash - Restricted - Modernization and Development		\$0		\$0		\$0
113 Cash - Other Restricted		\$27,334		\$27,334		\$27,334
114 Cash - Tenant Security Deposits	\$20,896			\$20,896		\$20,896
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$40,677	\$27,334	\$0	\$68,011	\$0	\$68,011
121 Accounts Receivable - PHA Projects		\$2,811		\$2,811		\$2,811
122 Accounts Receivable - HUD Other Projects						
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous	\$441			\$441		\$441
126 Accounts Receivable - Tenants	\$14,306			\$14,306		\$14,306
126.1 Allowance for Doubtful Accounts - Tenants	-\$10,553			-\$10,553		-\$10,553
126.2 Allowance for Doubtful Accounts - Other	\$0	-\$2,222		-\$2,222		-\$2,222
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	\$4,194	\$589	\$0	\$4,783	\$0	\$4,783
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$36,978	\$12,854		\$49,832		\$49,832
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From	\$7,569		\$173,255	\$180,824	-\$173,255	\$7,569
145 Assets Held for Sale						
150 Total Current Assets	\$89,418	\$40,777	\$173,255	\$303,450	-\$173,255	\$130,195
161 Land	\$13,028			\$13,028		\$13,028
162 Buildings	\$8,003,532	\$2,080		\$8,005,612		\$8,005,612
163 Furniture, Equipment & Machinery - Dwellings	\$132,007			\$132,007		\$132,007
164 Furniture, Equipment & Machinery - Administration	\$130,375	\$37,793		\$168,168		\$168,168
165 Leasehold Improvements	\$755,940	\$1,241		\$757,181		\$757,181
166 Accumulated Depreciation	-\$7,349,894	-\$39,638		-\$7,389,532		-\$7,389,532
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,684,988	\$1,476	\$0	\$1,686,464	\$0	\$1,686,464
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$1,684,988	\$1,476	\$0	\$1,686,464	\$0	\$1,686,464
200 Deferred Outflow of Resources						
290 Total Assets and Deferred Outflow of Resources	\$1,774,406	\$42,253	\$173,255	\$1,989,914	-\$173,255	\$1,816,659

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

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Balance Sheet Summary						
	Project Total	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	Subtotal	ELIM	Total
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$13,128	\$8,254		\$21,382		\$21,382
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	\$10,005	\$1,342		\$11,347		\$11,347
322 Accrued Compensated Absences - Current Portion	\$6,982	\$2,662		\$9,644		\$9,644
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects		\$9,605		\$9,605		\$9,605
333 Accounts Payable - Other Government						
341 Tenant Security Deposits	\$20,896			\$20,896		\$20,896
342 Unearned Revenue	\$20,867			\$20,867		\$20,867
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						
347 Inter Program - Due To		\$180,824		\$180,824	-\$173,255	\$7,569
348 Loan Liability - Current						
310 Total Current Liabilities	\$71,878	\$202,687	\$0	\$274,565	-\$173,255	\$101,310
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current	\$12,657	\$3,952		\$16,609		\$16,609
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	\$12,657	\$3,952	\$0	\$16,609	\$0	\$16,609
300 Total Liabilities	\$84,535	\$206,639	\$0	\$291,174	-\$173,255	\$117,919
400 Deferred Inflow of Resources						
508.4 Net Investment in Capital Assets	\$1,684,988	\$1,476		\$1,686,464		\$1,686,464
511.4 Restricted Net Position		\$15,783	\$173,255	\$189,038		\$189,038
512.4 Unrestricted Net Position	\$4,883	-\$181,645	\$0	-\$176,762		-\$176,762
513 Total Equity - Net Assets / Position	\$1,689,871	-\$164,386	\$173,255	\$1,698,740	\$0	\$1,698,740
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,774,406	\$42,253	\$173,255	\$1,989,914	-\$173,255	\$1,816,659

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

YEAR ENDED SEPTEMBER 30, 2018

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$395,271		\$395,271
70400 Tenant Revenue - Other	\$15,677		\$15,677
70500 Total Tenant Revenue	\$410,948	\$0	\$410,948
70600 HUD PHA Operating Grants	\$529,870		\$529,870
70610 Capital Grants			
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$61		\$61
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	\$29,454		\$29,454
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$970,333	\$0	\$970,333
91100 Administrative Salaries	\$152,344		\$152,344
91200 Auditing Fees	\$9,615		\$9,615
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$483		\$483
91500 Employee Benefit contributions - Administrative	\$34,603		\$34,603
91600 Office Expenses	\$21,042		\$21,042
91700 Legal Expense	\$12,997		\$12,997
91800 Travel	\$6,163		\$6,163
91810 Allocated Overhead			
91900 Other	\$34,828		\$34,828
91000 Total Operating - Administrative	\$272,075	\$0	\$272,075
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs	\$1,482		\$1,482
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$871		\$871
92500 Total Tenant Services	\$2,353	\$0	\$2,353
93100 Water	\$73,340		\$73,340
93200 Electricity	\$15,754		\$15,754
93300 Gas	\$58,794		\$58,794
93400 Fuel			
93500 Labor			
93600 Sewer	\$87,344		\$87,344

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

YEAR ENDED SEPTEMBER 30, 2018

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$235,232	\$0	\$235,232
94100 Ordinary Maintenance and Operations - Labor	\$101,320		\$101,320
94200 Ordinary Maintenance and Operations - Materials and Other	\$56,382		\$56,382
94300 Ordinary Maintenance and Operations Contracts	\$78,853		\$78,853
94500 Employee Benefit Contributions - Ordinary Maintenance	\$30,471		\$30,471
94000 Total Maintenance	\$267,026	\$0	\$267,026
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$42,498		\$42,498
96120 Liability Insurance	\$5,256		\$5,256
96130 Workmen's Compensation	\$14,639		\$14,639
96140 All Other Insurance	\$26,414		\$26,414
96100 Total insurance Premiums	\$88,807	\$0	\$88,807
96200 Other General Expenses			
96210 Compensated Absences			
96300 Payments in Lieu of Taxes	\$17,571		\$17,571
96400 Bad debt - Tenant Rents	\$8,275		\$8,275
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$25,846	\$0	\$25,846
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$891,339	\$0	\$891,339
97000 Excess of Operating Revenue over Operating Expenses	\$78,994	\$0	\$78,994
97100 Extraordinary Maintenance	\$5,150		\$5,150
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$223,279		\$223,279
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$1,119,768	\$0	\$1,119,768

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

YEAR ENDED SEPTEMBER 30, 2018

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In			
10020 Operating transfer Out			
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$149,435	\$0	-\$149,435
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,839,306	\$0	\$1,839,306
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1548		1548
11210 Number of Unit Months Leased	1443		1443
11270 Excess Cash	-\$93,716		-\$93,716
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

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

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Revenue and Expense Summary						
	Project Total	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$395,271			\$395,271		\$395,271
70400 Tenant Revenue - Other	\$15,677			\$15,677		\$15,677
70500 Total Tenant Revenue	\$410,948	\$0	\$0	\$410,948		\$410,948
70600 HUD PHA Operating Grants	\$529,870	\$1,936,488		\$2,466,358		\$2,466,358
70610 Capital Grants						
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants						
71100 Investment Income - Unrestricted	\$61	\$22		\$83		\$83
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery		\$1,216		\$1,216		\$1,216
71500 Other Revenue	\$29,454	\$7,896		\$37,350		\$37,350
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	\$970,333	\$1,945,622	\$0	\$2,915,955		\$2,915,955
91100 Administrative Salaries	\$152,344	\$108,517		\$260,861		\$260,861
91200 Auditing Fees	\$9,615	\$9,615		\$19,230		\$19,230
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing	\$483	\$200		\$683		\$683
91500 Employee Benefit contributions - Administrative	\$34,603	\$25,234		\$59,837		\$59,837
91600 Office Expenses	\$21,042	\$13,732		\$34,774		\$34,774
91700 Legal Expense	\$12,997			\$12,997		\$12,997
91800 Travel	\$6,163	\$1,182		\$7,345		\$7,345
91810 Allocated Overhead						
91900 Other	\$34,828	\$23,227		\$58,055		\$58,055
91000 Total Operating - Administrative	\$272,075	\$181,707	\$0	\$453,782		\$453,782
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs	\$1,482			\$1,482		\$1,482
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	\$871			\$871		\$871
92500 Total Tenant Services	\$2,353	\$0	\$0	\$2,353		\$2,353
93100 Water	\$73,340			\$73,340		\$73,340
93200 Electricity	\$15,754			\$15,754		\$15,754
93300 Gas	\$58,794			\$58,794		\$58,794
93400 Fuel						
93500 Labor						
93600 Sewer	\$87,344			\$87,344		\$87,344

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

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Revenue and Expense Summary						
	Project Total	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	\$235,232	\$0	\$0	\$235,232		\$235,232
94100 Ordinary Maintenance and Operations - Labor	\$101,320			\$101,320		\$101,320
94200 Ordinary Maintenance and Operations - Materials and Other	\$56,382			\$56,382		\$56,382
94300 Ordinary Maintenance and Operations Contracts	\$78,853			\$78,853		\$78,853
94500 Employee Benefit Contributions - Ordinary Maintenance	\$30,471			\$30,471		\$30,471
94000 Total Maintenance	\$267,026	\$0	\$0	\$267,026		\$267,026
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0		\$0
96110 Property Insurance	\$42,498			\$42,498		\$42,498
96120 Liability Insurance	\$5,256	\$5,256		\$10,512		\$10,512
96130 Workmen's Compensation	\$14,639	\$9,394		\$24,033		\$24,033
96140 All Other Insurance	\$26,414	\$3,471		\$29,885		\$29,885
96100 Total insurance Premiums	\$88,807	\$18,121	\$0	\$106,928		\$106,928
96200 Other General Expenses		\$1,474		\$1,474		\$1,474
96210 Compensated Absences						
96300 Payments in Lieu of Taxes	\$17,571			\$17,571		\$17,571
96400 Bad debt - Tenant Rents	\$8,275			\$8,275		\$8,275
96500 Bad debt - Mortgages						
96600 Bad debt - Other		\$2,222		\$2,222		\$2,222
96800 Severance Expense						
96000 Total Other General Expenses	\$25,846	\$3,696	\$0	\$29,542		\$29,542
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0		\$0
96900 Total Operating Expenses	\$891,339	\$203,524	\$0	\$1,094,863		\$1,094,863
97000 Excess of Operating Revenue over Operating Expenses	\$78,994	\$1,742,098	\$0	\$1,821,092		\$1,821,092
97100 Extraordinary Maintenance	\$5,150			\$5,150		\$5,150
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		\$1,853,861		\$1,853,861		\$1,853,861
97350 HAP Portability-In		\$7,375		\$7,375		\$7,375
97400 Depreciation Expense	\$223,279	\$575		\$223,854		\$223,854
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$1,119,768	\$2,065,335	\$0	\$3,185,103		\$3,185,103

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

YEAR ENDED SEPTEMBER 30, 2018

Entity Wide Revenue and Expense Summary						
	Project Total	14.871 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	Subtotal	ELIM	Total
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$149,435	-\$119,713	\$0	-\$269,148		-\$269,148
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$1,839,306	-\$44,673	\$173,255	\$1,967,888		\$1,967,888
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors						
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity		-\$180,169		-\$180,169		-\$180,169
11180 Housing Assistance Payments Equity		\$15,783		\$15,783		\$15,783
11190 Unit Months Available	1548	4601		6149		6149
11210 Number of Unit Months Leased	1443	3226		4669		4669
11270 Excess Cash	-\$93,716			-\$93,716		-\$93,716
11610 Land Purchases	\$0			\$0		\$0
11620 Building Purchases	\$0			\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0			\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0			\$0		\$0
11650 Leasehold Improvements Purchases	\$0			\$0		\$0
11660 Infrastructure Purchases	\$0			\$0		\$0
13510 CFFP Debt Service Payments	\$0			\$0		\$0
13901 Replacement Housing Factor Funds	\$0			\$0		\$0