

THE HOUSING AUTHORITY  
OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA  
REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA  
YEAR ENDED SEPTEMBER 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 30 2014

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

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

**INDEPENDENT AUDITOR'S REPORT**

***Report on the Financial Statements***

We have audited the accompanying financial statements of The Housing Authority of St. John the Baptist Parish, Louisiana as of and for the year ended September 30, 2013, and the related notes to the financial statements as listed in the table of contents.

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

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2013, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 8 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for the Department of Housing and Urban Development's information and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and is not a required part of the basic financial statements.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated March 21, 2014 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Birmingham, Alabama  
March 21, 2014

*Yeager & Boyd*  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 21, 2014.

***Internal Control Over Financial Reporting***

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

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

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

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

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

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

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

Birmingham, Alabama  
March 21, 2014

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INDEPENDENT AUDITOR'S REPORT FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

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

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended September 30, 2013. The Authority'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 for 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 the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on the Public Housing and Capital Fund Programs***

As described in Findings 2013-01 through 2013-03 in the accompanying Schedule of Findings and Questioned Costs, the Authority did not comply with the Eligibility compliance requirements (Findings 2013-01 and 2013-02) that are applicable to its Public Housing program, and the Special Test and Provisions (Environmental Review) compliance requirement (Finding 2013-03) that is applicable to its Capital Fund program. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to those programs.

### ***Qualified Opinion on the Public Housing and Capital Fund Programs***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Public Housing and Capital Fund programs for the year ended September 30, 2013.

### ***Unmodified Opinion on the Section 8 Housing Choice Voucher Program***

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Section 8 Housing Choice Voucher program for the year ended September 30, 2013.

### ***Other Matters***

The results of our auditing procedures did not disclose other instances of noncompliance which are required to be reported in accordance with *OMB Circular A-133*.

The Authority's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 may exist that have not been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a *material weakness*.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings 2013-01 through 2013-03 to be *material weaknesses*.



The Authority's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.

Birmingham, Alabama  
March 21, 2014

Yeager & Boyd

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

This section of the Authority's annual financial report presents management's analysis of the Authority's financial performance during the fiscal year ended September 30, 2013. The operation of The Housing Authority of St. John the Baptist Parish is comprised of a Low Income Public Housing Program, a Section 8 Housing Choice Vouchers Program, and a Capital Fund Program. The Public Housing Program is funded with rental revenue, miscellaneous tenant charges and Department of Housing and Urban Development (HUD) grants. The Section 8 Housing Choice Voucher and Capital Fund Programs are funded entirely by grants from HUD.

**FINANCIAL HIGHLIGHTS**

1. Total assets exceed total liabilities by	\$4,541,715
2. Unrestricted net position equals	626,321
3. Total revenues decreased by	1,412,517

**REQUIRED FINANCIAL STATEMENTS**

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

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

## FINANCIAL ANALYSIS

### STATEMENT OF NET POSITION

	<u>2013</u>	<u>2012</u>	<u>Variance</u>
Assets and Deferred Outflows of Resources:			
Current Assets	\$ 1,197,760	\$ 949,977	\$ 247,783
Restricted Assets	587,496	138,819	\$ 448,677
Capital Assets	3,327,898	4,902,816	(1,574,918)
Deferred Outflows of Resources	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>\$ 5,113,154</u></b>	<b><u>\$ 5,991,612</u></b>	<b><u>\$ (878,458)</u></b>
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 559,014	\$ 528,822	\$ 30,192
Non-current Liabilities	12,425	14,439	(2,014)
Deferred Inflows of Resources	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>\$ 571,439</u></b>	<b><u>\$ 543,261</u></b>	<b><u>\$ 28,178</u></b>
Net Position:			
Net Invested in Capital Assets	\$ 3,327,898	\$ 4,902,816	\$ (1,574,918)
Restricted Net Position	587,496	138,819	448,677
Unrestricted Net Position	626,321	406,716	219,605
<b>Total Net Position</b>	<b><u>\$ 4,541,715</u></b>	<b><u>\$ 5,448,351</u></b>	<b><u>\$ (906,636)</u></b>

As illustrated, in the Statement of Net Position, the overall net position of the Authority decreased by \$906,636. Current assets increased due primarily to an increase in unrestricted cash from operating activities. See the 'Cash flows from operating activities' section of the Statement of Cash Flows for additional detail regarding the increase in unrestricted cash. Restricted assets and net position increased due mainly to an increase in cash and accounts receivable restricted for capital improvements as a result of insurance proceeds recognized during the fiscal year. Depreciation and capital asset impairment reductions exceeding asset additions accounted for the decrease in capital assets. Current liabilities increased slightly due to an increase in accounts payable accruals, while non-current liabilities remained stable.

### CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position, October 1, 2012	\$ 406,716
Results of Operations	(224,467)
Transfer to Restricted Net Position	(448,677)
Insurance Proceeds Recognized on Capital Asset Impairment Loss	484,000
Investment Income	1,372
Depreciation Expense	<u>407,377</u>
Unrestricted Net Position, September 30, 2013	<b><u>\$ 626,321</u></b>

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

## FINANCIAL ANALYSIS (continued)

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

	<u>2013</u>	<u>2012</u>	<u>Variance</u>
Revenues:			
Tenant Rental Revenue	\$ 399,337	\$ 411,572	\$ (12,235)
Operating Grants	3,536,241	4,040,442	(504,201)
Capital Grants	126,388	495,834	(369,446)
Interest Income	1,372	1,047	325
Other Income	937,996	1,464,956	(526,960)
<b>Total Revenues</b>	<b>\$ 5,001,334</b>	<b>\$ 6,413,851</b>	<b>\$ (1,412,517)</b>
Expenses:			
Administrative Expenses	\$ 599,045	\$ 593,944	\$ 5,101
Utilities	327,779	529,370	(201,591)
Maintenance & Operations	393,599	352,768	40,831
General Expense	432,081	469,690	(37,609)
HAP Payments	2,938,160	3,414,578	(476,418)
Loss on Impairment of Capital Assets	809,929	-	809,929
Depreciation	407,377	403,242	4,135
<b>Total Expenses</b>	<b>\$ 5,907,970</b>	<b>\$ 5,763,592</b>	<b>\$ 144,378</b>
<b>Excess (Deficiency) Revenues Over Expenses</b>	<b>\$ (906,636)</b>	<b>\$ 650,259</b>	<b>\$ (1,556,895)</b>

#### REVENUES

In reviewing the Statement of Revenues, Expenses and Changes in Net Position, you will find that 73% of the Authority's revenue is derived from grants from the Department of Housing and Urban Development, 8% of the Authority's revenue is from dwelling rent, and 19% from investment income and other income.

#### EXPENSES

You will find that 17% of the Authority's expenses are for general and administrative costs, 12% for maintenance and utilities, 21% for depreciation and capital asset impairment losses, and 50% for HAP payments.

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

There was a decrease in excess revenues over expenses. The decrease was due to both a decrease in revenues, and an increase in expenses. Operating grants decreased due mainly to a decrease in operating subsidies recognized in the Public Housing and Capital Fund – Recovery Act Funded Programs. Capital grant revenue decreased due to a decrease in modernization and development activity. Other income decreased due primarily to a decrease in income recognized from other housing authorities for Section 8 Housing Voucher Program participants ported-in. Utility expenses decreased due to a significant reduction of funds expended on water, mainly as a result of decreased Public Housing leasing and the repair of significant water line leaks.

**FINANCIAL ANALYSIS (continued)**

Maintenance costs increased slightly due to increased labor and external contracting costs. General expenses decreased slightly due mainly to reduced insurance costs recognized during the year. Housing Assistance Payments decreased due primarily to a reduction of Section 8 Housing Voucher Program participants ported-in. The loss on impairment of capital assets is a current year write-down of capital asset carrying values, as a result of management's assessment and determination that many dwelling units have been deemed uninhabitable.

**CAPITAL ASSETS**

As of year-end, the Authority had \$3,327,898 invested in a variety of capital assets as reflected in the following schedule, which represents a 32% decrease (additions, deductions and depreciation) from the end of last year.

	<u>2013</u>	<u>2012</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 171,875	\$ 171,875	\$ -	0%
Buildings & Improvements	8,635,331	14,391,185	(5,755,854)	-40%
Furniture & Equipment	198,683	173,484	25,199	15%
Construction in Process	472,749	1,939,293	(1,466,544)	-76%
Accumulated Depreciation	<u>(6,150,740)</u>	<u>(11,773,021)</u>	<u>5,622,281</u>	<u>-48%</u>
Net Capital Assets	<u>\$ 3,327,898</u>	<u>\$ 4,902,816</u>	<u>\$ (1,574,918)</u>	<u>-32%</u>

The following reconciliation summarizes the change in Capital Assets:

Beginning Balance, October 1, 2012	\$ 4,902,816
Additions:	
Capital Fund Program - Improvements	126,388
Depreciation Expense	(407,377)
Impaired Assets Disposed of, Net of Accumulated Depreciation	<u>(1,293,929)</u>
Ending Balance, September 30, 2013	<u>\$ 3,327,898</u>

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

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

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

## **CONTACT**

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

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2013

ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES

	<b>Enterprise Fund</b>
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 847,202
Accounts Receivable - HUD	272,261
Tenants Accounts Receivable	11,599
(Allowance for Doubtful Accounts)	(2,552)
Prepaid Costs	62,599
Inventories	6,651
Total Current Assets	<u>1,197,760</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	503,496
Accounts Receivable	84,000
Total Restricted Assets	<u>587,496</u>
<u>Capital Assets</u>	
Land	171,875
Buildings	8,635,331
Furniture & Equipment	198,683
Construction in Process	472,749
	<u>9,478,638</u>
(Less): Accumulated Depreciation	<u>(6,150,740)</u>
Net Capital Assets	<u>3,327,898</u>
Total Assets	<u>5,113,154</u>
Deferred Outflows of Resources	-
Total Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,113,154</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2013

LIABILITIES, DEFERRED INFLOWS OF  
 RESOURCES AND NET POSITION

	<b>Enterprise Fund</b>
<u>Current Liabilities</u>	
Accounts Payable	\$ 177,676
Accounts Payable - Capital	306,043
Accrued Wages and Payroll Taxes	22,620
Accrued Compensated Absences	12,424
Resident Security Deposits	14,896
Accrued Current Liabilities - Other	25,355
Total Current Liabilities	<u>559,014</u>
<u>Long-Term Liabilities</u>	
Accrued Compensated Absences	<u>12,425</u>
Total Long-Term Liabilities	<u>12,425</u>
Total Liabilities	<u>571,439</u>
<u>Deferred Inflows of Resources</u>	
Total Deferred Inflows of Resources	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>571,439</u>
<u>Net Position</u>	
Net Investment in Capital Assets	3,327,898
Restricted Net Position	587,496
Unrestricted Net Position	<u>626,321</u>
Total Net Position	<u>4,541,715</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 5,113,154</u>

See the accompanying notes to financial statements.



**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Enterprise Fund</b>
<u>Operating Revenues</u>	
Dwelling Rent	\$ 399,337
Operating Grants	3,536,241
Other Income	937,996
Total Operating Revenues	<u>4,873,574</u>
<u>Operating Expenses</u>	
Administrative	599,045
Utilities	327,779
Maintenance and Operations	393,599
General Expense	432,081
Housing Assistance Payments	2,938,160
Depreciation	407,377
Total Operating Expenses	<u>5,098,041</u>
Operating Income (Loss)	<u>(224,467)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	1,372
Loss on Capital Asset Impairment	<u>(809,929)</u>
Total Non-Operating Rev/(Exp)	<u>(808,557)</u>
Increase (Decrease) before Capital Contributions	<u>(1,033,024)</u>
Capital Contributions	<u>126,388</u>
Increase (Decrease) in Net Position	(906,636)
Net Position, Beginning	<u>5,448,351</u>
Net Position, Ending	<u>\$ 4,541,715</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Enterprise Fund</b>
<b><u>Cash flows from operating activities:</u></b>	
Cash Received from Dwelling Rent	\$ 365,566
Cash Received from Operating Grants	3,601,921
Cash Received from Other Sources	935,521
Cash Payments for Salaries and Benefits	(666,486)
Cash Payments to Vendors and Landlords	(3,983,597)
Net Cash flows provided (used) by operating activities	<u>252,925</u>
<b><u>Cash flows from capital and related financing activities:</u></b>	
Capital Outlay	(169,553)
Insurance Proceeds Received for Capital Improvements	400,000
Capital Grants Received	199,014
Net cash flows provided (used) by capital and related financing activities	<u>429,461</u>
<b><u>Cash flows from investing activities:</u></b>	
Interest received from cash and cash equivalents	2,101
Net cash flows provided (used) by investing activities	<u>2,101</u>
Net Increase (decrease) in cash and cash equivalents	<u>684,487</u>
<u>Cash and cash equivalents, beginning of year:</u>	<u>666,211</u>
<u>Cash and cash equivalents, end of year:</u>	<u>\$ 1,350,698</u>
<b><u>Reconciliation of operating income (loss) to net cash provided (used) operating activities:</u></b>	
Operating Income (Loss)	\$ (224,467)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	407,377
Bad Debts	30,180
Change in Tenants Accounts Receivable	(33,771)
Change in Accounts Receivable/Payable - Operating Grants	65,680
Change in Inventories	(818)
Change in Prepaid Insurance	(62,599)
Change in Accounts Payable - Operating	92,545
Change in Accrued Expenses	(9,816)
Change in Other Current Liabilities	(8,911)
Change in Tenant Security Deposits	(2,475)
Net cash provided by (used in) operating activities	<u>\$ 252,925</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement No. 34 paragraph 138 and GASB Statement No. 63.

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

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

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

Recent Accounting Pronouncements

The Authority has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement establishes accounting and financial reporting standards for the financial statements of state and local governments. The Authority incorporates FASB, APB and ARB pronouncements, not conflicting with GASB pronouncements and issued on or before November 30, 1989, into the GASB authoritative literature. The adoption of GASBS No. 62 had no material effect on the Authority's basic financial statements.

The Authority adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The adoption of GASBS No. 63 had no material effect on the Authority's basic financial statements.

Cash

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other Accounts Receivable consists of amounts due from HUD for operating grants, and amounts due from the Authority's insurance carrier.

Prepaid Items and Inventory

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

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, and operating miscellaneous income are shown as operating income.

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

Property and Equipment

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

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

Cost Allocation

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

NOTE B - REPORTING ENTITY DEFINITION

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE C - CASH AND INVESTMENT DEPOSITS

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

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

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

The Housing Authority's cash and cash equivalents consist of cash held in three interest bearing checking accounts and one non-interest bearing checking account totaling \$1,350,498. The remaining \$200 is held in the form of petty cash or change fund. Deposits with financial institutions are secured as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Collateralized with specific securities in the Authority's name which are held by the financial institution	1,100,498	1,216,094
	<u>\$ 1,350,498</u>	<u>\$ 1,466,094</u>

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of September 30, 2013 as follows:

<u>Type Commitment</u>	<u>Amount</u>
Modernizations and Improvements	\$169,983

NOTE E - RISK MANAGEMENT

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

NOTE F - CONCENTRATION OF RISK

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

NOTES TO FINANCIAL STATEMENTS -- CONTINUED

NOTE G -- SIGNIFICANT ESTIMATES

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

NOTE H -- ACCRUED COMPENSATED ABSENCES

It is the Housing Authority's policy to permit employees, depending on tenure, to accumulate earned but unused vacation and sick leave. Upon separation from employment after one year of service, an employee is entitled to receive pay for accrued vacation up to a specified maximum. Leave accrued but not yet paid as of September 30, 2013 is shown as a liability allocated between current and non-current.

	Balance <u>10/1/2012</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>9/30/2013</u>	Due Within <u>One Year</u>
Accrued Compensated Absences	\$ 28,877	20,983	25,011	\$ 24,849	\$ 12,424
Less: Current portion	(14,438)			(12,424)	
Total Long Term Liabilities	<u>\$ 14,439</u>			<u>\$ 12,425</u>	<u>\$ -</u>

NOTE I - PENSION PLAN

The Housing Authority contributes to a defined contribution pension plan. All full time employees are eligible for the plan after completing 6 months employment with the Authority. The Authority contributes 7.5% of each employee's salary to the plan. Employer contributions to the plan for participating employees, for the year ended September 30, 2013 were \$9,814. Employee contributions are equal to 5% of each employee's salary. Employee contributions to the plan for the year ended September 30, 2013 were \$6,540.

Assets in the plan are recorded at market value and are administered by a private corporation under contract with the Housing Authority. It is the opinion of the Authority's legal counsel that the Housing Authority has no liability for losses under the plans but does have the responsibility of due care that would be required of an ordinary prudent investor.

NOTE J -- INTER-PROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and subsequently reimbursed. Balances due for such charges are reflected in the Inter-program Due to/Due from account balances. Inter-program balances at September 30, 2013 consisted of the following:

Public Housing Program	\$ 40,168
Capital Fund Program	(40,168)
Total	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K – PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows at fiscal year-end:

	<u>PUBLIC HOUSING</u>	<u>CAPITAL FUND</u>	<u>TOTAL</u>
Land	\$ 171,875	\$ -	\$ 171,875
Building and Improvements	8,635,331	-	\$ 8,635,331
Furniture, Fixtures and Equipment	198,683	-	\$ 198,683
Construction in Process	-	472,749	\$ 472,749
Less Accumulated Depreciation	<u>(6,150,740)</u>	<u>-</u>	<u>\$ (6,150,740)</u>
<b>Total Property and Equipment</b>	<u><b>\$ 2,855,149</b></u>	<u><b>\$ 472,749</b></u>	<u><b>\$ 3,327,898</b></u>

	<u>October 1, 2012 Balance</u>	<u>Additions</u>	<u>Transfers &amp; Deletions</u>	<u>September 30, 2013 Balance</u>
Land	\$ 171,875	\$ -	\$ -	\$ 171,875
Construction in Process	<u>1,939,293</u>	<u>126,388</u>	<u>(1,592,932)</u>	<u>472,749</u>
Total Assets not being depreciated	2,111,168	126,388	(1,592,932)	644,624
Buildings and Improvements	14,391,185	-	(5,755,854)	8,635,331
Furniture and Equipment	<u>173,484</u>	<u>-</u>	<u>25,199</u>	<u>198,683</u>
Total Property and Equipment	16,675,837	126,388	(7,323,587)	9,478,638
Less Accumulated Depreciation				
Building and Improvements	(11,622,432)	(396,412)	6,029,658	(5,989,186)
Furniture and Equipment	<u>(150,589)</u>	<u>(10,965)</u>	<u>-</u>	<u>(161,554)</u>
Net Book Value	<u><b>\$ 4,902,816</b></u>	<u><b>\$ (280,989)</b></u>	<u><b>\$ (1,293,929)</b></u>	<u><b>\$ 3,327,898</b></u>

Authority management has assessed the carrying values of capital asset balances as of September 30, 2013, and as of March 21, 2014, the date the financial statements were issued. As a result of the assessment, the carrying values of many dwelling structures deemed uninhabitable by management have been reduced significantly. Capital assets with a historical cost of \$7,323,587, net of accumulated depreciation of \$6,029,658, have been written down for a total decrease of \$1,293,929 to the total net carrying value of capital assets. This loss has been reduced by the recognition of \$484,000 of insurance proceeds during the fiscal year, totaling an impairment loss recognized of \$809,929.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE L – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant, except as follows: Based on a consolidated review performed by HUD, the Housing Authority may be required to refund approximately \$1 million received through grants if they are unable to provide supporting documentation.

NOTE M – RESTRICTED ASSETS AND RESTRICTED NET POSITION

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

Held for Housing Assistance Payments	\$	103,496
Insurance Proceeds Held for Capital Improvements		400,000
Accounts Receivable - Insurance Proceeds, Restricted for Capital Improvements		84,000
Total Restricted Assets and Net Position	\$	<u>587,496</u>

NOTE N – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through March 21, 2014, the date the financial statements were issued.



THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
SCHEDULE OF NET POSITION BY PROGRAM  
SEPTEMBER 30, 2013

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	<u>Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Housing Choice Vouchers</u>	<u>Elimination</u>	<u>Total</u>
<u>Current Assets</u>					
Cash and Cash Equivalents	\$ 342,906	\$ -	\$ 504,296	\$ -	\$ 847,202
Accounts Receivable - HUD	322,621	40,168	-	(90,528)	272,261
Tenants Accounts Receivable (Allowance for Doubtful Accounts)	11,599 (2,552)	-	-	-	11,599 (2,552)
Prepaid Costs	62,599	-	-	-	62,599
Inventories	6,651	-	-	-	6,651
Interprogram Receivable	40,168	-	-	(40,168)	-
<b>Total Current Assets</b>	<b>783,992</b>	<b>40,168</b>	<b>504,296</b>	<b>(130,696)</b>	<b>1,197,760</b>
<u>Restricted Assets</u>					
Cash and Cash Equivalents	400,000	-	103,496	-	503,496
Accounts Receivable	84,000	-	-	-	84,000
<b>Total Restricted Assets</b>	<b>484,000</b>	<b>-</b>	<b>103,496</b>	<b>-</b>	<b>587,496</b>
<u>Capital Assets</u>					
Land	171,875	-	-	-	171,875
Buildings	8,635,331	-	-	-	8,635,331
Furniture & Equipment	198,683	-	-	-	198,683
Construction in Process	-	472,749	-	-	472,749
	9,005,889	472,749	-	-	9,478,638
(Less): Accumulated Depreciation	(6,150,740)	-	-	-	(6,150,740)
<b>Net Capital Assets</b>	<b>2,855,149</b>	<b>472,749</b>	<b>-</b>	<b>-</b>	<b>3,327,898</b>
<b>Total Assets</b>	<b>4,123,141</b>	<b>512,917</b>	<b>607,792</b>	<b>(130,696)</b>	<b>5,113,154</b>
<u>Deferred Outflows of Resources</u>					
Total Deferred Outflows of Resources	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 4,123,141</b>	<b>\$ 512,917</b>	<b>\$ 607,792</b>	<b>\$ (130,696)</b>	<b>\$ 5,113,154</b>

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
SCHEDULE OF NET POSITION BY PROGRAM  
SEPTEMBER 30, 2013

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Housing Choice Vouchers</u>	<u>Elimination</u>	<u>Total</u>
<u>Current Liabilities</u>					
Accounts Payable	\$ 33,076	\$ -	\$ 235,128	\$ (90,528)	\$ 177,676
Accounts Payable - Capital	306,043	-	-	-	306,043
Accrued Wages and Payroll Taxes	19,135	-	3,485	-	22,620
Accrued Compensated Absences	11,099	-	1,325	-	12,424
Resident Security Deposits	14,896	-	-	-	14,896
Accrued Current Liabilities - Other	25,355	-	-	-	25,355
Interprogram Payable	-	40,168	-	(40,168)	-
Total Current Liabilities	409,604	40,168	239,938	(130,696)	559,014
<u>Long-Term Liabilities</u>					
Accrued Compensated Absences	11,100	-	1,325	-	12,425
Total Long-Term Liabilities	11,100	-	1,325	-	12,425
Total Liabilities	420,704	40,168	241,263	(130,696)	571,439
<u>Deferred Inflows of Resources</u>					
Total Deferred Inflows of Resources	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	420,704	40,168	241,263	(130,696)	571,439
<u>Net Position</u>					
Net Investment in Capital Assets	2,855,149	472,749	-	-	3,327,898
Restricted Net Position	484,000	-	103,496	-	587,496
Unrestricted Net Position	363,288	-	263,033	-	626,321
Total Net Position	3,702,437	472,749	366,529	-	4,541,715
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 4,123,141	\$ 512,917	\$ 607,792	\$ (130,696)	\$ 5,113,154

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Housing Choice Vouchers</u>	<u>Total</u>
<u>Operating Revenues</u>				
Dwelling Rent	\$ 399,337	\$ -	\$ -	\$ 399,337
Operating Grants	1,135,894	150,061	2,250,286	3,536,241
Other Income	104,417	-	833,579	937,996
Total Operating Revenues	<u>1,639,648</u>	<u>150,061</u>	<u>3,083,865</u>	<u>4,873,574</u>
<u>Operating Expenses</u>				
Administrative	426,987	-	172,058	599,045
Utilities	327,779	-	-	327,779
Maintenance and Operations	393,599	-	-	393,599
General Expense	421,457	-	10,624	432,081
Housing Assistance Payments	-	-	2,938,160	2,938,160
Depreciation	407,377	-	-	407,377
Total Operating Expenses	<u>1,977,199</u>	<u>-</u>	<u>3,120,842</u>	<u>5,098,041</u>
Operating Income (Loss)	<u>(337,551)</u>	<u>150,061</u>	<u>(36,977)</u>	<u>(224,467)</u>
<u>Non-Operating Revenues (Expenses)</u>				
Investment Income	512	-	860	1,372
Loss on Capital Asset Impairment	(809,929)	-	-	(809,929)
Total Non-Operating Rev/(Exp)	<u>(809,417)</u>	<u>-</u>	<u>860</u>	<u>(808,557)</u>
Increase (Decrease) before Capital Contributions and Transfers	<u>(1,146,968)</u>	<u>150,061</u>	<u>(36,117)</u>	<u>(1,033,024)</u>
Operating Transfers In (Out)	150,061	(150,061)	-	-
Capital Contributions	-	126,388	-	126,388
Increase (Decrease) in Net Position	<u>(996,907)</u>	<u>126,388</u>	<u>(36,117)</u>	<u>(906,636)</u>
Net Position, Beginning	3,106,412	1,939,293	402,646	5,448,351
Net Position Transfer	1,592,932	(1,592,932)	-	-
Net Position, Ending	<u>\$ 3,702,437</u>	<u>\$ 472,749</u>	<u>\$ 366,529</u>	<u>\$ 4,541,715</u>

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

EXPENDITURES

Public Housing Program Total CFDA Number 14.850a	<u>\$ 1,135,894</u>
Housing Choice Vouchers Total CFDA Number 14.871	<u>2,250,286</u>
Capital Fund Program Total CFDA Number 14.872	<u>276,449</u>
TOTAL HUD EXPENDITURES	<u>3,662,629</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 3,662,629</u>

Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS -  
 CAPITAL FUND PROGRAM  
 SEPTEMBER 30, 2013**

	<b>Capital Fund Program LA48P095501-05</b>	<b>Capital Fund Program LA48P095501-06</b>
Funds Approved	\$ 567,765	\$ 6,899
Funds Expended	567,765	6,899
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>

Funds Advanced	\$ 567,765	\$ 6,899
Funds Expended	567,765	6,899
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

	<b>Capital Fund Program LA48P095501-07</b>	<b>Capital Fund Program LA48P095501-08</b>
Funds Approved	\$ 543,127	\$ 551,114
Funds Expended	543,127	551,114
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>

Funds Advanced	\$ 543,127	\$ 551,114
Funds Expended	543,127	551,114
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

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

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA  
FINANCIAL DATA SCHEDULE  
SEPTEMBER 30, 2013

	LOW RENT 14.850a	CFP 14.872	SECTION 8 14.871	ELIMINATIONS	TOTAL	
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
<b>CASH</b>						
111	CASH UNRESTRICTED	328,010	-	504,296	-	832,306
112	CASH RESTRICTED MODERNIZATION AND DEV	400,000	-	-	-	400,000
113	CASH OTHER RESTRICTED	-	-	103,496	-	103,496
114	CASH TENANT SECURITY DEPOSIT	14,896	-	-	-	14,896
115	CASH RESTRICTED FOR FMT CURRENT DEBT	-	-	-	-	-
100	<b>TOTAL CASH</b>	<b>742,906</b>	<b>-</b>	<b>607,792</b>	<b>-</b>	<b>1,350,698</b>
<b>ACCOUNTS AND NOTES RECEIVABLE</b>						
121	A/R - PHA PROJECTS	-	-	-	-	-
122	A/R - HUD PROJECTS	322,621	40,168	-	(90,528)	272,261
124	A/R - OTHER GOVT	-	-	-	-	-
125	A/R - MISC	84,000	-	-	-	84,000
126	A/R - TENANTS DWELLING RENT	11,599	-	-	-	11,599
126.1	ALLOWANCE FOR D A - TENANTS	(2,552)	-	-	-	(2,552)
126.2	ALLOWANCE FOR D A - OTHER	-	-	-	-	-
127	NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-
128	FRAUD RECOVERY	-	-	-	-	-
128.1	ALLOWANCE FOR FRAUD RECOVERY	-	-	-	-	-
129	ACCRUED INTEREST RECEIVABLE	-	-	-	-	-
120	<b>TOTAL RECEIVABLES NET OF ALLOW</b>	<b>415,668</b>	<b>40,168</b>	<b>-</b>	<b>(90,528)</b>	<b>365,308</b>
<b>CURRENT INVESTMENTS</b>						
131	INVESTMENTS - UNRESTRICTED	-	-	-	-	-
132	INVESTMENTS - RESTRICTED	-	-	-	-	-
142	PREPAID INSURANCE	62,599	-	-	-	62,599
143	INVENTORIES - MATERIALS	8,868	-	-	-	8,868
143.1	ALLOWANCE FOR OBSOLETE INV	(2,217)	-	-	-	(2,217)
144	INTERPROGRAM DUE FROM	40,168	-	-	(40,168)	-
146	AMOUNTS TO BE PROVIDED	-	-	-	-	-
150	<b>TOTAL CURRENT ASSETS</b>	<b>1,267,992</b>	<b>40,168</b>	<b>607,792</b>	<b>(130,696)</b>	<b>1,785,256</b>
<b>NONCURRENT ASSETS</b>						
<b>FIXED ASSETS</b>						
161	LAND	171,875	-	-	-	171,875
162	BUILDINGS	8,496,139	-	-	-	8,496,139
163	FURNITURE & EQUIPMENT - DWELLINGS	35,199	-	-	-	35,199
164	FURNITURE & EQUIPMENT - ADMINISTRATION	163,484	-	-	-	163,484
165	LEASEHOLD IMPROVEMENTS	139,192	-	-	-	139,192
167	CONSTRUCTION IN PROGRESS	-	472,749	-	-	472,749
166	ACCUMULATED DEPRECIATION	(6,150,740)	-	-	-	(6,150,740)
160	<b>TOTAL FIXED ASSETS, NET OF DEPR</b>	<b>2,855,149</b>	<b>472,749</b>	<b>-</b>	<b>-</b>	<b>3,327,898</b>
171	NOTES & MORTGAGES RECEIVABLE - M/C	-	-	-	-	-
172	NOTES & MORTGAGES RECEIVABLE - PD	-	-	-	-	-
174	OTHER ASSETS	-	-	-	-	-
176	INVESTMENT IN JOINT VENTURES	-	-	-	-	-
180	<b>TOTAL NONCURRENT ASSETS</b>	<b>2,855,149</b>	<b>472,749</b>	<b>-</b>	<b>-</b>	<b>3,327,898</b>
190	<b>TOTAL ASSETS</b>	<b>4,123,141</b>	<b>512,917</b>	<b>607,792</b>	<b>(130,696)</b>	<b>5,113,154</b>
<b>LIABILITIES AND NET POSITION</b>						
<b>CURRENT LIABILITIES</b>						
311	BANK OVERDRAFT	-	-	-	-	-
312	A/P < 90 DAYS	29,561	-	144,600	-	174,161
313	A/P > 90 DAYS	306,043	-	-	-	306,043
321	ACCRUED WAGE/PAYROLL TAXES PAYABLE	19,135	-	3,485	-	22,620
322	ACCRUED COMPENSATED ABSENCES	11,099	-	1,325	-	12,424
324	ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-
325	ACCRUED INTEREST PAYABLE	-	-	-	-	-
331	ACCOUNTS PAYABLE - HUD PHA PROGRAMS	-	-	90,528	(90,528)	-
332	ACCOUNTS PAYABLE - PHA PROJECTS	-	-	-	-	-
333	ACCOUNTS PAYABLE OTHER GOVT	-	-	-	-	-
341	TENANT SECURITY DEPOSIT	14,896	-	-	-	14,896
342	UNEARNED REVENUE	-	-	-	-	-
343	CURRENT PORTION OF LT DEBT CAPITAL	-	-	-	-	-

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA  
FINANCIAL DATA SCHEDULE  
SEPTEMBER 30, 2013

	LOW RENT 14.850a	CFP 14.972	SECTION 8 14.871	ELIMINATIONS	TOTAL	
344	CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	
345	OTHER CURRENT LIABILITIES	3,515	-	-	3,515	
346	ACCRUED LIABILITIES - OTHER	25,355	-	-	25,355	
347	INTERPROGRAM DUE TO	-	40,168	-	(40,168)	
310	TOTAL CURRENT LIABILITIES	409,604	40,168	239,938	(130,696)	559,014
	NONCURRENT LIABILITIES					
351	LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	
352	LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	
354	LONG TERM PORTION OF COMPENSATED ABSENC	11,100	-	1,325	-	12,425
353	NONCURRENT LIABILITIES OTHER	-	-	-	-	
350	TOTAL NONCURRENT LIABILITIES	11,100	-	1,325	-	12,425
300	TOTAL LIABILITIES	420,704	40,168	241,263	(130,696)	571,439
	NET POSITION					
508.1	NET INVESTMENT IN CAPITAL ASSETS	2,855,149	472,749	-	-	3,327,898
511.1	RESTRICTED NET POSITION	484,000	-	103,496	-	587,496
512.1	UNRESTRICTED NET POSITION	363,280	-	263,033	-	626,313
513	TOTAL NET POSITION	3,702,437	472,749	366,529	-	4,541,715
600	TOTAL LIABILITIES AND NET POSITION	4,123,141	512,917	607,792	(130,696)	5,113,154
	REVENUE					
703	NET TENANT RENTAL REVENUE	362,926	-	-	-	362,926
704	TENANT REVENUE - OTHER	36,411	-	-	-	36,411
705	TOTAL TENANT REVENUE	399,337	-	-	-	399,337
708	HUD PHA GRANTS	1,135,894	150,061	2,250,286	-	3,536,241
706.1	CAPITAL GRANTS RECEIVED	-	126,388	-	-	126,388
709	OTHER GOVT GRANTS	-	-	-	-	-
710	SEC 8 INCOME	-	-	-	-	-
711	INVESTMENT INCOME - UNRESTRICTED	512	-	860	-	1,372
712	MORTGAGE INTEREST INCOME	-	-	-	-	-
714	FRAUD RECOVERY	-	-	-	-	-
715	OTHER REVENUE	104,417	-	833,579	-	937,996
716	GAIN OR LOSS ON THE SALE OF FIXED ASSETS	-	-	-	-	-
720	INVESTMENT INCOME - RESTRICTED	-	-	-	-	-
700	TOTAL REVENUE	1,640,160	276,449	3,084,725	-	5,001,334
	EXPENSES					
	ADMINISTRATIVE					
911	ADMINISTRATIVE SALARIES	194,951	-	102,722	-	297,673
912	AUDITING FEES	70,982	-	-	-	70,982
913	OUTSIDE MANAGEMENT FEES	-	-	-	-	-
914	ADVERTISING & MARKETING	-	-	-	-	-
915	EMPLOYEE BENEFIT CONTRIBUTION	63,491	-	31,844	-	95,325
916	OFFICE EXPENSES	38,020	-	-	-	38,020
917	LEGAL EXPENSES	1,429	-	-	-	1,428
918	TRAVEL	3,170	-	-	-	3,170
918.1	ALLOCATED OVERHEAD	-	-	-	-	-
919	OTHER	54,955	-	37,492	-	92,447
	TENANT SERVICES					
921	TENANT SERVICES SALARIES	-	-	-	-	-
922	RELOCATION COSTS	-	-	-	-	-
923	EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	-	-
924	TENANT SERVICES OTHER	-	-	-	-	-
	UTILITIES					
931	WATER	201,730	-	-	-	201,730
932	ELECTRICITY	28,583	-	-	-	28,583
933	GAS	97,466	-	-	-	97,466
934	FUEL	-	-	-	-	-
935	LABOR	-	-	-	-	-
936	SEWER	-	-	-	-	-
937	EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-
938	OTHER UTILITIES	-	-	-	-	-

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA  
FINANCIAL DATA SCHEDULE  
SEPTEMBER 30, 2013

	LOW RENT 14.850a	CFP 14.872	SECTION 8 14.871	ELIMINATIONS	TOTAL
	ORDINARY MAINTENANCE & OPERATION				
941	-	-	-	-	-
941	203,106	-	-	-	203,106
942	84,996	-	-	-	84,996
943	53,264	-	-	-	53,264
945	52,233	-	-	-	52,233
	PROTECTIVE SERVICES				
951	-	-	-	-	-
951	-	-	-	-	-
952	-	-	-	-	-
952	-	-	-	-	-
953	-	-	-	-	-
953	-	-	-	-	-
955	-	-	-	-	-
955	-	-	-	-	-
	GENERAL EXPENSES				
961	379,999	-	-	-	379,999
961	379,999	-	-	-	379,999
962	180	-	9,874	-	10,054
962	180	-	9,874	-	10,054
962.1	7,589	-	750	-	8,333
962.1	7,589	-	750	-	8,333
963	3,515	-	-	-	3,515
963	3,515	-	-	-	3,515
964	30,180	-	-	-	30,180
964	30,180	-	-	-	30,180
965	-	-	-	-	-
965	-	-	-	-	-
966	-	-	-	-	-
966	-	-	-	-	-
967	-	-	-	-	-
967	-	-	-	-	-
968	-	-	-	-	-
968	-	-	-	-	-
969	1,569,822	-	182,682	-	1,752,504
969	1,569,822	-	182,682	-	1,752,504
970	70,338	276,449	2,902,043	-	3,248,830
970	70,338	276,449	2,902,043	-	3,248,830
	EXTRAORDINARY MAINTENANCE				
971	-	-	-	-	-
971	-	-	-	-	-
972	-	-	-	-	-
972	-	-	-	-	-
973	-	-	2,153,500	-	2,153,500
973	-	-	2,153,500	-	2,153,500
973.5	-	-	784,660	-	784,660
973.5	-	-	784,660	-	784,660
974	407,377	-	-	-	407,377
974	407,377	-	-	-	407,377
975	-	-	-	-	-
975	-	-	-	-	-
976	-	-	-	-	-
976	-	-	-	-	-
977	-	-	-	-	-
977	-	-	-	-	-
978	-	-	-	-	-
978	-	-	-	-	-
900	1,977,199	-	3,120,842	-	5,098,041
900	1,977,199	-	3,120,842	-	5,098,041
	OPERATING TRANSFERS IN				
1001	150,061	-	-	-	150,061
1001	150,061	-	-	-	150,061
	OPERATING TRANSFERS OUT				
1002	-	(150,061)	-	-	(150,061)
1002	-	(150,061)	-	-	(150,061)
	SPECIAL ITEMS - GAIN/(LOSS)				
1008	(809,929)	-	-	-	(809,929)
1008	(809,929)	-	-	-	(809,929)
1010	(659,868)	(150,061)	-	-	(809,929)
1010	(659,868)	(150,061)	-	-	(809,929)
1000	(996,907)	126,388	(36,117)	-	(906,636)
1000	(996,907)	126,388	(36,117)	-	(906,636)
	BEGINNING NET POSITION				
1103	3,106,412	1,939,293	402,646	-	5,448,351
1103	3,106,412	1,939,293	402,646	-	5,448,351
	NET POSITION TRANSFERS				
1104	1,592,932	(1,592,932)	-	-	-
1104	1,592,932	(1,592,932)	-	-	-
	PRIOR PERIOD ADJUSTMENTS				
1104	-	-	-	-	-
1104	-	-	-	-	-
	ENDING NET POSITION				
1103	3,702,437	472,749	366,529	-	4,541,715
1103	3,702,437	472,749	366,529	-	4,541,715
	UNIT MONTHS AVAILABLE				
11190	2,654	-	3,120	-	5,774
11190	2,654	-	3,120	-	5,774
	# UNIT MONTHS LEASED				
11210	2,415	-	2,950	-	5,365
11210	2,415	-	2,950	-	5,365
	ADMINISTRATIVE FEE NET POSITION				
11170	-	-	263,033	-	263,033
11170	-	-	263,033	-	263,033
	HOUSING ASSISTANCE PAYMENTS POSITION				
11190	-	-	103,496	-	103,496
11190	-	-	103,496	-	103,496
	BUILDING PURCHASES				
11620	-	126,388	-	-	126,388
11620	-	126,388	-	-	126,388



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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

**Section I: Summary of Auditor's Results:**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:

Unqualified

Internal Control over financial reporting:

Are material weaknesses identified?

Yes  No

Are significant deficiencies that are not considered  
to be material weaknesses identified?

Yes  None  
Reported

Is noncompliance that could have a material effect  
on the financial statements identified?

Yes  No

**FEDERAL AWARDS**

Internal control over major programs:

Are material weaknesses identified?

Yes  No

Are significant deficiencies that are not considered  
to be material weaknesses identified?

Yes  None  
Reported

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

Public Housing and Capital Fund Programs:  
Section 8 Housing Choice Voucher Program:

Qualified  
Unmodified

Are there any audit findings that are required to be  
reported in accordance with Section 510(a) of OMB  
Circular A-133?

Yes  No

Identification of major programs:

**Name of Federal Program**

**CFDA No.**

Low Rent Public Housing

14.850

Section 8 Housing Choice Voucher

14.871

Public Housing Capital Fund Program

14.872

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Is the auditee identified as a low-risk auditee?

Yes  No

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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

**Section II: Financial Statement Findings:**

**Prior Year Findings and Questioned Costs:**

**Finding 2012-01 – Timely Completion and Submission of Annual Audit**

**Condition:**

The Authority failed to submit audited financial statements to the Louisiana Legislative Auditor's Office within a timely manner.

**Current Year Status:**

The Authority's annual audit is complete as of March, 2014. The Authority's annual audit will be submitted to the Louisiana Legislative Auditor's Office within a timely manner, and prior to the March 31<sup>st</sup> deadline. This Finding is cleared.

**Current Year Findings and Questioned Costs:**

None

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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

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

**Prior Year Findings and Questioned Costs:**

**Finding 2012-02 Failure To Perform Background Checks on Tenants**

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2012;  
Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

**Condition:**

Of the twenty-three Public Housing tenant files that were selected for audit, twenty-three background checks were unavailable. Of the twenty-one Housing Choice Voucher tenant files that were selected for audit, twenty-one background checks were unavailable.

**Current Status:** The Authority has completed background checks for Housing Choice Voucher Program participants. This Finding, as it pertains to the Housing Choice Voucher Program, is cleared. The Authority has not completed background checks for Public Housing Program residents as of fiscal year end September 30, 2013. Therefore, this Finding as it pertains to the Public Housing Program, is restated as Finding 2013-01.

**Finding 2012-03 Housing Choice Voucher HQS Inspections**

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

**Condition and Question Costs:**

Of the twenty-one Housing Choice Voucher tenant files that were selected for audit, three files did not contain any documentation of an inspection being performed during the audit period. There was one initial failed HQS inspection that was not re-inspected within the 30 day requirement. Housing assistance payments should have been abated, but were not. Housing assistance payments in the amount of \$3,538 were not abated. It was noted that the Housing Authority does not keep a log of failed inspections. This includes retaining copies of letters sent to tenants and landlords in the tenant's file.

**Current Status:** The Authority has completed HQS inspections and appears to have implemented sufficient controls to ensure assistance payments are abated, when applicable. This Finding is cleared.

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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

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

**Prior Year Findings and Questioned Costs - continued:**

**Finding 2012-04 Housing Assistance Payments Contracts**

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

**Condition:**

Of the fifteen Housing Choice Voucher tenant files that were selected for audit, five were missing Housing Assistance Payment Contracts, HUD Form 52641.

**Current Status:** The Authority has completed and/or updated Housing Assistance Payment Contracts for Housing Choice Voucher Program participants. This Finding is cleared.

**Finding 2012-05 Housing Choice Voucher Tenant Files**

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

**Condition:**

The results of a review of Housing Choice Voucher tenant files are as follows:

1. Of the 21 tenant files reviewed, 5 were missing verification of tenant eligibility.
2. Of the 21 tenant files reviewed, 5 had no determination of gross rent.
3. Of the 21 tenant files reviewed, 6 did not have proof of rent reasonableness.
4. Of the 21 tenant files reviewed, 5 were missing approved leases, HUD Form 52517.
5. Of the 21 tenant files reviewed, 5 did not have signed valid contracts HUD Form 52641, between the tenants and the landlords.
6. Of the 21 tenant files reviewed, 5 did not have re-examinations of income.
7. Of the 21 tenant files reviewed, 5 were missing a HUD Form 50058.
8. Of the 21 tenant files reviewed, 4 were missing annual inspection reports.
9. Of the 21 tenant files reviewed, 5 did not have an updated, signed release of information form.
10. Of the 21 tenant files reviewed, 6 were missing third party verifications of income.

**Current Status:** The Authority has completed a review of Housing Choice Voucher Program participant tenant files and appears to have implemented sufficient controls over its tenant file maintenance process. This Finding is cleared.

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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

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

**Prior Year Findings and Questioned Costs - continued:**

**Finding 2012-06 Miscalculation of Housing Assistance Payments**

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

**Condition:**

Of the twenty-one files tested for the Housing Choice Voucher program, five files did not contain a current calculation of a Housing Assistance Payment (HAP); therefore the calculation of payments could not be tested.

**Current Status:** The Authority has completed a review and recalculation of Housing Choice Voucher Program HAP's and appears to have implemented sufficient controls over its tenant eligibility and recertification process. This Finding is cleared.

**Finding 2012-07 Tenant File Maintenance**

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2012

**Condition:**

The results of a review of Public Housing tenant files are as follows:

1. Of the 23 tenant files reviewed, 6 were missing initial applications.
2. Of the 23 tenant files reviewed, 9 were missing landlord verification forms.
3. Of the 23 tenant files reviewed, 23 were missing community service requirement forms.
4. Of the 23 tenant files reviewed, 7 did not have re-examinations of income.
5. Of the 23 tenant files reviewed, 8 rent receipts did not match the lease.
6. Of the 23 tenant files reviewed, 8 were missing a HUD Form 50058.
7. Of the 23 tenant files reviewed, 20 were missing annual inspection reports.
8. Of the 23 tenant files reviewed, 9 did not have an updated, signed release of information form.
9. Of the 23 tenant files reviewed, 11 were missing third party verifications of income.
10. Of the 23 tenant files reviewed, 15 were missing signed lead based paint disclosures.
11. Of the 23 tenant files reviewed, 3 were missing birth certificates or state issued identification.

**Current Status:** The Authority does not appear to have implemented sufficient controls over its Public Housing Program tenant file maintenance process as of fiscal year end September 30, 2013. Therefore, this Finding is restated as Finding 2013-02.

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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

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

**Prior Year Findings and Questioned Costs - continued:**

**Finding 2012-08 Equipment and Real Property Management**

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2012;  
Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2012; American  
Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September  
30, 2012

**Condition:**

We were unable to locate equipment records which complied with HUD regulations. In addition, we were unable to verify that a physical inventory of equipment was performed.

**Current Status:** The Authority completed an inventory of all equipment, which included identification by serial number. This Finding is cleared.

**Finding 2012-09 – SEMAP Certification**

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

**Condition:**

During the current year audit, the SEMAP Certification and supporting documentation was requested for audit. The auditor was unable to provide supporting documentation for all the indicators requested. Additionally, for certain indicators for which supporting documentation was provided, the auditor found instances where the backup documentation did not match the data submitted to HUD on the certification.

**Current Status:** The SEMAP was submitted in November 2013 and approved by HUD. The Authority was able to sufficiently support its SEMAP submission. This Finding is cleared.

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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

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

**Prior Year Findings and Questioned Costs - continued:**

**Finding 2012-10 Calculation of Portability Administrative Fees**

Housing Choice Vouchers – CFDA No. 14.871; Grant period – year ended September 30, 2012

**Condition:**

Due to the lack of documentation it is not possible to determine if the administrative fees are being updated with changes per HUD or if the administrative fees are complete and accurate. This Finding is repeated from the prior year.

**Current Status:** The Authority has completed a review and update of portability administrative fees charged and appears to have implemented sufficient controls over its portability accounting process. This Finding is cleared.

**Finding 2012-11 – Environmental Review Compliance Requirement**

Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2012  
American Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period September 30, 2012

**Condition:**

During audit fieldwork, the Capital Fund and Capital Fund – Recovery Act programs were audited for compliance with the requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*. As part of the audit, auditors requested environmental reviews for each of the aforementioned federal programs. Authority management was unable to provide the reports upon request.

**Current Status:** The Authority did not complete the applicable environmental reviews during fiscal year end September 30, 2013. Therefore, this Finding is restated as Finding 2013-03.

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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

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

**Prior Year Findings and Questioned Costs - continued:**

**Finding 2012-12 - Public Housing Waiting List**

Department of Housing and Urban Development Public and Indian Housing – CFDA 14.850a; Grant period – year ended September 30, 2012

**Condition:**

A sample of eight applicants who were housed during the fiscal year was requested for audit. Of the eight applicants selected, three were housed before other applicants who had applied before them. The Authority staff was unable to provide an explanation when asked why the applicants were housed prior to applicants who had applied before them.

**Current Status:** The Public Housing Program Waiting List was closed during fiscal year 2012 and has been closed throughout fiscal year 2013. Therefore, no potential non-compliance with respect to the Waiting List occurred during the fiscal year ended September 30, 2013. This Finding is cleared.



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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

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

**Current Year Findings and Questioned Costs:**

**Finding 2013-01 Failure To Perform Background Checks on Tenants**

**Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2013**

**Criteria:**

The Housing Authority is required to complete a background check on all household members over the age of 18 who will be assisted under any HUD program.

**Condition:**

Of the twenty Public Housing tenant files that were selected for audit, twenty background checks were unavailable. This Finding is repeated from the prior year. See **Finding 2012-02**.

**Effect:** Non-compliance with HUD regulations

**Cause:** Insufficient internal control procedures

**Questioned Cost:** None identified

**Recommendation:**

We recommend that the Authority complete background checks as required in a consistent manner and on a timely basis.

**Response:** The Authority contracted with First Advantage on October 7, 2013 to complete background checks on all Public Housing Program participants and individuals residing in the residence 18 years of age or older. The Authority's Executive Director has assumed the responsibility for completing the background checks, and expects them to be completed by September 30, 2014.

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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

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

**Current Year Findings and Questioned Costs - continued:**

**Finding 2013-02 Tenant File Maintenance**

**Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2013**

**Criteria:**

The Code of Federal Regulations and HUD guidelines give the requirements for maintaining the tenant files for the Public Housing Program.

**Condition:**

The results of a review of Public Housing tenant files are as follows:

1. Of the 20 tenant files reviewed, 7 were missing community service requirement forms.
2. Of the 20 tenant files reviewed, 5 were missing a HUD Form 50058.
3. Of the 20 tenant files reviewed, 15 were not re-inspected after an initial inspection failure.
4. Of the 20 tenant files reviewed, 7 were missing signed lead based paint disclosures.
5. Of the 20 tenant files reviewed, 6 were missing birth certificates or state issued identification.

This Finding is repeated from the prior year. See **Finding 2012-07**.

**Cause and Effect:** Insufficient internal control procedures resulted in non-compliance with HUD regulations

**Questioned Cost:** None identified

**Recommendation:**

We recommend that the Authority utilize a standard filing system based upon a checklist and issue this to all required personnel. We recommend that supervisors and managers review, on a regular monthly basis, a random sample of all files to determine compliance with federal guidelines.

**Response:**

Additional training and instruction will be provided to appropriate personnel and a process for management review will be instituted. The Authority's Executive Director has assumed the responsibility of implementing the review process and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2014.

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

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

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

**Current Year Findings and Questioned Costs - continued:**

**Finding 2013-03 – Environmental Review Compliance Requirement**

**Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2013**

**Criteria:**

An environmental review must be completed for any project or activities before a recipient may acquire, rehabilitate, convert, lease, repair or construct property, or commit HUD or local funds. Environmental review procedures for entities who are assuming HUD's environmental responsibilities are contained in 24 CFR, part 58. An environmental assessment must be prepared for an activity unless the recipient determines that the activity met a criterion specified in the regulations that would exempt or exclude it from Request for Release of Funds (RROF) and environmental certification requirements (24 CFR sections 58.34 and 58.35). If the responsible entity determines that a project or activity is exempt, it must document in writing its determination for the exemption demonstrating how the conditions specified for exemption are met. Neither a recipient nor any participant in the project, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance until HUD has approved the recipient's RROF and the related certification from the responsible entity (24 CFR, section 58.22).

**Condition:**

During audit fieldwork the Capital Fund program was audited for compliance with the requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*. As part of the audit, auditors requested environmental reviews applicable to the federal program. An environmental review was presented to the New Orleans HUD Field Office on December 3<sup>rd</sup> for their review. Approval from HUD was granted December 19, 2013. However, no environmental reviews were completed during the fiscal year ended September 30, 2013. This Finding is repeated from the prior year. See Finding 2012-11.

**Effect:** Non-compliance with HUD regulations

**Cause:** Insufficient control environment

**Questioned Cost:** None identified

**Recommendation:**

We recommend the Authority complete all future required environmental reviews as required by HUD, prior to expending federal grant funds on applicable properties.

**Response:**

The Authority has hired Providence Engineering of Baton Rouge, LA to conduct its Environmental Review. The Review was presented to the New Orleans HUD Field Office on December 3<sup>rd</sup> for their review. Approval from HUD was granted December 19, 2013.