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

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS REPORTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1999
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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 MAY 24 2000

*WILLIAM DANIEL MCCASKILL, CPA
A PROFESSIONAL ACCOUNTING CORPORATION*

415 MAGNOLIA LANE
MANDEVILLE, LOUISIANA 70471

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**INDEPENDENT AUDITOR'S REPORT
UNQUALIFIED OPINION ON GENERAL PURPOSE
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE
*OF EXPENDITURES OF FEDERAL AWARDS***

**BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF PARISH OF ST. JOHN THE BAPTIST
LAPLACE, LOUISIANA 70806**

I have audited the accompanying general purpose financial statements of the Housing Authority of the Parish of St. John the Baptist (PHA) as of and for the year ended September 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and provisions of the Louisiana Governmental Audit Guide. Those standards required that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

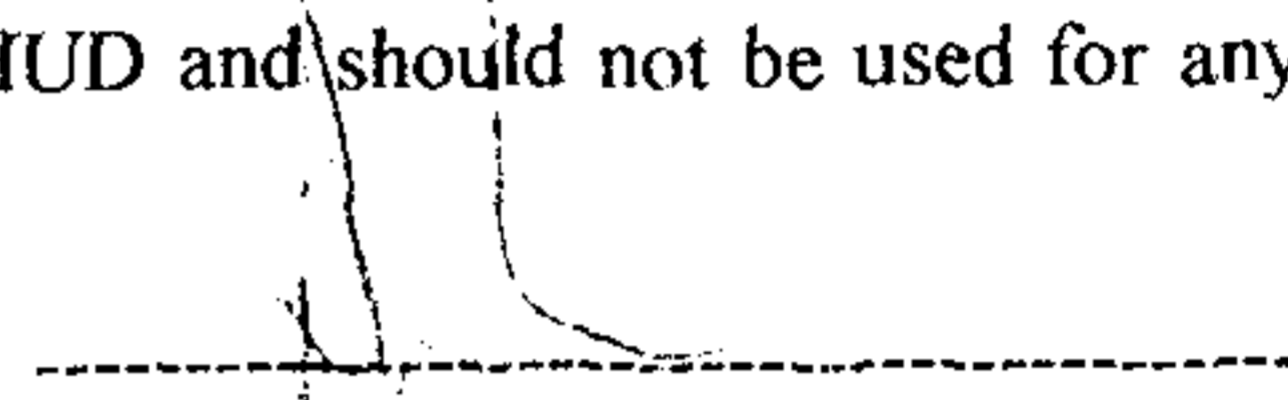
In my opinion, the general purpose financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the Parish of St. John Baptist as of September 30, 1999, and the results of its operations and changes in its total equity for the year ended in conformity with generally accepted accounting principles.

As described in Note A to the financial statements, the PHA has changed from the Governmental Funds to the Enterprise Funds method for the year ended September 30, 1999.

In accordance with Government Auditing Standards, I have also issued a report dated May 1, 2000 on my consideration of the PHA's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts, and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the PHA taken as a whole. The combining and individual fund financial statements and schedules, as well as the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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 general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of the PHA, and for filing with the Department of HUD and should not be used for any other purpose.



William Daniel McCaskill, CPA

A Professional Accounting Corporation

May 1, 2000

Housing Authority of the Parish of St. John the Baptist
COMBINED BALANCE SHEET -- ALL FUNDS
September 30, 1999

EXHIBIT A

ALL FUNDS

ASSETS

Current assets:

Cash and cash equivalents	637,601
Tenants rents receivable(net)	6,674
Accounts and notes receivables	291,147
Prepaid expenses and other assets	66,010
Inventories	9,445
Interprogram due from	79,733

Total current assets 1,090,610

Fixed assets (net) 8,049,132

Total assets 9,139,742
=====

LIABILITIES AND FUND EQUITY

Current liabilities:

Accounts Payable and accrued liabilities	142,869
Deferred revenues	-
Current portion of long-term debt capital projects	-
Security deposits	55,333
Interprogram due to	79,733

Total current liabilities 277,935

Noncurrent liabilities:

Noncurrent liabilities-other	-
Noncurrent portion of long-term debt	-

Total liabilities 277,935

Fund equity:

Contributed capital (net)	8,061,639
Retained earnings	800,168

Total fund equity 8,861,807

Total liabilities and fund
equity 9,139,742
=====

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist
 COMBINING STATEMENT OF REVENUES, EXPENSE AND
 CHANGES IN RETAINED EARNINGS--ALL FUNDS
 For the year Ended September 30, 1999

EXHIBIT B

	ALL FUNDS
Operating revenues:	
Net tenant revenue	282,223
Tenant revenue-other	15,815
Interest income	21,729
Other income	593
HUD PHA grants	1,580,972
Other government grants	

Total operating revenues	1,901,332

Operating expenses:	
Adminstration	573,293
Tenant services	5,412
Utilities	318,791
Ordinary maintenance	416,893
General expense	126,286
Protective services	
Non-routine maintenance	51,295
Housing assistance payments	368,990

Operating expenses before depreciation	1,860,960

Operating income/(loss) before depreciation	40,372
Depreciation expense	350,500
Net operating income/(loss) after depreciation	(310,128)

Retained earnings(operating reserve), 9-30-98	777,069
Add: HUD-REAC prior year GAAP adjustments	(17,273)
Operating income/(loss) before depreciation	40,372

Retained earnings (operating reserve), 9-30-99	800,168

Net HUD contribution, 9-30-98	17,294,209
Current year addition and REAC adjustments	(9,235,097)
Net HUD contribution, 9-30-99	8,059,112
Net other contribution, 9-30-99	2,527
Net contributions, 9-30-99	8,061,639

Total Equity, 9-30-99	8,861,807

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist
COMBINING STATEMENT OF CASH FLOWS -- ALL FUNDS
For the Year Ended September 30, 1999

EXHIBIT C
page 1 of 2

BAD DEBTS-TENANT RENT NOT INCLUDED	ALL FUNDS
Cash flows from operating activities:	
Cash received from tenants	298,038
Cash received from other income	593
Cash paid for goods and services	(1,576,264)
Cash paid to employees	(284,696)

Net cash provided by operating activities	(1,562,329)

Cash flows from noncapital financing activities:	
Operating grants and subsidies	1,580,972

Cash flows from capital and related financing activities:	
Proceeds from grants	507,929
Acquisition of capital assets	(507,929)
Proceeds from issuance of notes	
Acquisition of capital assets	

Net cash used for capital and related financing activities	

Cash flows from investing activities:	
Interest on investments	21,729

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist
COMBINING STATEMENT OF CASH FLOWS--ALL FLOWS
For the Year Ended September 30, 1999

EXHIBIT C
page 2 of 2

Reconciliation of operating income to net cash provided by operating activities:

Adjustments to reconcile operating income to net cash	
Net HUD-REAC Adjustments	53,188.54
Depreciation	
(Increase) decrease in tenant rents receivable	(4,499.00)
(Increase) decrease due from US Dept of HUD	(180,639.33)
(Increase) decrease due in supplies inventory	(9,445.00)
(Increase) decrease in prepaid insurance	(15,704.00)
(Increase) decrease in undistributed debits	
(Increase) decrease in accts receivable misc.	(29,647.95)
Increase (decrease) in tenant security deposits	25,239.00
Increase (decrease) in accounts payable and accrued liabilities	44,950.97
Increase (decrease) in accounts payable HUD	39,393.58
Increase (decrease) in accrued vacation pay	28,630.00
Increase (decrease) in deferred revenues	(38,008.00)
Increase (decrease) in a/p noncurrent	
Total adjustments	(86,541.19)
Change in cash and equivalents	(46,169.19)
Beginning Cash	683,770.49
Cash and cash equivalents end of year-Exhibit A	637,601.00

see notes to financial statements

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS—BUDGET VS. ACTUAL
GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 1999

REVENUES	LOW RENT		Favorable	SPECIAL REVENUE		Favorable
Local Sources:	Budget	Actual	Variance	Budget	Actual	Variance
Dwelling Rental	299,150.00	282,223.00	(16,927.00)			
Interest Charges	19,010.00	15,593.00	(3,417.00)		8,136.00	8,136.00
Receipts from the Sale of Equipment						
Other	12,550.00	16,408.00	3,858.00			
Federal Sources:						
Operating Subsidy	928,727.00	928,727.00	-			
Annual Contributions				498,768.00	418,636.00	(82,132.00)
Grants						
Total Revenues	1,259,437.00	1,242,951.00	(16,486.00)	498,768.00	422,772.00	(75,996.00)
EXPENDITURES						
Current:						
Administration	258,390.00	308,828.00	(52,438.00)	46,092.00	28,856.00	17,236.00
Utilities	308,300.00	318,791.00	(12,491.00)			
Ordinary Maintenance & Operations	353,680.00	416,245.00	(62,585.00)		648.00	(648.00)
Tenant Services	24,055.00	5,412.00	18,643.00			
General Expenditures	240,730.00	122,289.00	118,441.00		4,907.00	(4,907.00)
Facilities Acquisitions & Construction	57,700.00	-	57,700.00			
Housing Assistance Payments				406,288.00	368,990.00	37,298.00
Nonroutine Maintenance	75,450.00	51,295.00	24,155.00			
Bad Debt-tenant rents	-	(910.00)	910.00			
Debt Service:						
Principal Retirement						
Interest & Bank Charges						
Total Expenditures	1,314,285.00	1,221,950.00	92,335.00	452,380.00	403,401.00	48,979.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(54,848.00)	21,001.00	75,849.00	46,388.00	19,371.00	(27,017.00)
OTHER FINANCING SOURCES (USES)						
HUD REAC Adjustments	-	(17,273.00)	17,273.00			
NET EXCESS (DEFICIENCY) OF REVENUES	(54,848.00)	21,001.00	(75,849.00)	46,388.00	19,371.00	(27,017.00)
RETAINED EARNINGS AT BEGINNING OF YEAR	726,840.00	726,840.00	-	50,229.00	50,229.00	-
RETAINED EARNINGS AT END OF YEAR	671,992.00	730,568.00	(75,849.00)	96,617.00	69,600.00	(27,017.00)

see notes to financial statements

THE HOUSING AUTHORITY OF THE PARISH OF ST. JOHN BAPTIST
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana. for the purpose of providing safe and sanitary dwelling accommodations for the residents of St. John the Baptist Parish, Louisiana. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the Parish president, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the US Department of HUD has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining this low rent character.

(1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the PHA and its component units, entities for which the PHA is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the PHA's operations and data from these units, if any are combined with data of the PHA. Each discretely presented component, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the PHA. As of September 30, 1999, and for the fiscal then ended, the PHA had no discretely presented component units or any component units required to be blended in these financial statements.

(2) Change in Accounting Principle

For the year ended September 30, 1999, the PHA has changed from the Government Funds Method to the Enterprise Method. This change was strongly recommended by the Real Estate Assessment Center (REAC) of the Department of HUD.

The Enterprise Funds Method accounts for operations in a manner similar to a private business. Under this method, all assets, including fixed assets, and all liabilities are in one fund, and one financial statement.

The Enterprise Fund recognizes revenues and expenses on the full accrual basis. Revenues are recognized when earned and become measurable. Expenses are recognized in the period incurred, if measurable. In the prior method used, the Governmental Funds Method, the modified accrual method was necessary.

Depreciation expense must be recognized for the Enterprise Fund. Under the Governmental Funds Method, depreciation was optional and the PHA elected not to recognize it.

REAC suggests that accumulated depreciation be charged to HUD Capital Contributions, not Retained Earnings. REAC directs that soft costs from development and modernization be deleted from fixed assets and charged to HUD Capital Contributions.

REAC also directs PHA's to deleted outstanding debt owed to HUD, annual contributions and debt amortization funds receivable due from HUD, and close tem to HUD Capital Contributions.

The amount of the September 30, 1999 operating reserve becomes the beginning retained earnings. These is no cumulative effect on beginning retained earnings resulted from the accounting method change.

(3) Budgetary Data

The PHA is required by its HUD Annual Contributions Contract to adopt annual budgets for the Low Rent Housing Program and the Section 8 Programs. Annual budgets are not required for CIAP grants as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

The PHA is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables or depreciation. The budget does reflect furniture and equipment additions from operations.

(4) Cash and Cash Equivalents

The entity defines cash and cash equivalents to include certificates of deposit, money market funds, savings accounts, and demand deposits.

(5) Tenant Receivables

Receivables for rental and service charges are reported in the General Fund, net of allowances for doubtful accounts.

(6) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service.

NOTE B -- CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is entity's policy for deposits to be secured to be secured by collateral valued at market or par, which is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 1999. The categories are described as follows:

Category 1 -- Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 -- Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 -- Uncollateralized, uninsured and unregistered, but with securities held by the bank, its agent, pledged to the PHA, but not in the PHA's name.

Cash Deposits, categorized by level of risk, (at cost, which approximates market) are:

Total Bank Balances	Category		
	1	2	3
\$628,465	100,000		528,465

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities with 10 days of being notified by the PHA that the fiscal agent has failed to pay deposited funds upon demand.

NOTE C -- ACTIVITIES OF THE PHA

At September 30, 1999, the PHA was managing 315 units of low-rent under FW-1422 and 102 units of certificates program under FW-2170.

NOTE D -- CONTINGENCIES

The entity is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

The PHA is involved in at least two litigation cases the outcome of which is not determinable at this time. Accordingly, no amount has been recorded as a contingent liability.

NOTE E -- FIXED ASSETS

As noted in Note A, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

Site improvements	20 Years
Buildings	20 Years
Building improvements	10 Years
Nondwelling structures	20 Years
Equipment	3 to 7 Years

	9-30-99 Cost	Current Depreciation	9-30-99 Accumulated Depreciation	Net
Land	\$171,875		171,875	171,875
Buildings	12,993,696	300,680	5,868,674	7,125,022
Furn,Equip,&Mach-Dwell	243,504	18,023	71,809	71,695
Furn,Equip & Mach-Admin	420,046	7,080	237,115	182,293
Leasehold improvements	1,483,501	24,718	1,085,254	398,247
	<u>15,312,622</u>	<u>350,500</u>	<u>7,263,489</u>	<u>8,049,132</u>

All land and building are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

NOTE F -- LONG-TERM DEBT

As noted in Note A, long-term debt owed to HUD has been closed to HUD Capital Contributions. For the year ended September 30, 1999, Housing Agency bonds outstanding of \$176,266.43 were closed to capital contributions.

NOTE G -- RETIREMENT PLAN

The entity provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six months exclusionary period. The employees contribute 5% and the entity

contributes 8% of the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested 20% annually for each year of participation. An employee is fully vested after 5 years of participation.

The entity's total payroll in fiscal year ended September 30, 1999 was \$284,696. The entity's contributions were calculated using the base salary amount of \$284,686. Contributions to plan were \$14,234.80 and \$22775.68 by the employee and the entity, respectively.

NOTE H -- DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

NOTE I -- ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

NOTE J -- USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE K -- COMPENSATION TO BOARD MEMBERS

According to PHA policy, board members are paid \$60 per board meeting attended. The PHA was not able to document the amount paid for this during the year.

Housing Authority of the Parish of St. John the Baptist
 City of LaPlace, Louisiana
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended Grambling, Louisiana

SCHEDULE I

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U S Department of Housing and Urban Development Direct Programs:		
Low Income Housing:		
Operating Subsidy		928,727
Leased		
Development		
Total Low Income Housing	14.850	928,727
Section 8 Cluster:		
Vouchers	14.855	-
Certificates	14.857	403,400
Moderate Rehabilitation	14.856	-
New Construction	14.182	
Substantial Rehabilitation	14.182	
Total Section 8 Cluster		403,400
Comprehensive Grants	14.859	648,462
CIAP	14.852	-
Public Housing Drug Elimination Program:		
PHDEP		95,076
Youth Sports		
Total PHDEP	14.854	
Shelter + Care	14.238	
HOPE	14.858	
HOME	14.239	
Child Care Food Program (USDA)	10.558	
 TOTAL FEDERAL EXPENDITURES		 2,075,665 =====

NOTE: This schedule of expenditures of federal awards is prepared on the HUD GAAP accounting.

see notes to financial statements

	Low Rent	Certificates	CGP	PHDEP	Total
ASSETS:					
CURRENT ASSETS					
Cash-unrestricted	637,601				637,601
Cash-restricted-modernization and development					-
Cash-other restricted					-
Cash-tenant security deposits					-
Total Cash	637,601				637,601
Accounts and notes receivable:					-
Accounts receivable-PHA projects					-
Accounts receivable-HUD other projects	203,360	57,938			261,298
Accounts receivable-other governments					-
Accounts receivable-miscellaneous	28,544				28,544
Accounts receivable-tenant dwelling rents	6,674				6,674
Allowance for doubtful accounts-dwelling rents					-
Allowance for doubtful accounts-other					-
Notes and mortgages receivable-current					-
Fraud recovery					-
Allowance for doubtful accounts-fraud					-
Accrued interest receivable	1,305				1,305
Total Receivable, net of allowances for doubtful accounts	239,883	57,938			297,821
Current investments:					-
Investments-unrestricted					-
Investments-restricted					-
Prepaid Expenses and Other Assets	66,010				66,010
Inventories	9,445				9,445
Interprogram Due From		79,733			79,733
Amounts to be provided					-
TOTAL CURRENT ASSETS	952,939	137,671	-	-	1,090,610
NONCURRENT ASSETS:					
Fixed Assets:					
Land	171,875				171,875
Buildings	12,443,672		550,024		12,993,696
Furniture, Equipment & Machinery-Dwellings	243,504				243,504
Furniture, Equipment & Machinery-Administration	391,766		28,280		420,046
Leasehold Improvements	1,483,501				1,483,501
Accumulated Depreciation	(7,263,489)		(1)		(7,263,490)
Total Fixed Assets, Net of Accumulated Depreciation	7,470,829		578,303		8,049,132
Notes and mortgages receivable-noncurrent					-
Notes and mortgages receivable-past due					-
Other assets					-
Undistributed debits					-
Investments in joint ventures					-
TOTAL NONCURRENT ASSETS	7,470,829	-	578,303	-	8,049,132
TOTAL ASSETS	8,423,768	137,671	578,303	-	9,139,742

see notes to financial statements

	Low Rent	Certificates	CGP	PHDEP	Total
LIABILITIES AND EQUITY:					
LIABILITIES:					
CURRENT LIABILITIES					
Bank overdraft					-
Accounts payable <=90 days	46,168				46,168
Accounts payable >=90 days					-
Accrued wages payroll taxes payable					-
Accrued compensated absences	28,630				28,630
Accrued contingency liability					-
Accrued interest payable					-
Accounts payable-HUD PHA programs		68,071			68,071
Accounts payable-PHA Projects					-
Accounts payable-other governments					-
Tenant security deposits	55,333				55,333
Deferred revenues					-
Current portion of L-T debt-capital projects					-
Current portion of L-T debt-operating borrowings					-
Other current liabilities					-
Accrued liabilities-other					-
Inter-program-due to	79,733				79,733
TOTAL CURRENT LIABILITIES	209,864	68,071			277,935
NONCURRENT LIABILITIES					
Long-term debt, net of current-capital projects					-
Long-term debt, net of current-operating borrowings					-
Noncurrent liabilities-other					-
TOTAL NONCURRENT LIABILITIES	-	-	-	-	-
TOTAL LIABILITIES	209,864	68,071	-	-	277,935
EQUITY					
Investment in general fixed assets					-
Contributed Capital:					-
Project notes (HUD)					-
Net HUD PHA contributions	7,480,809		578,303		8,059,112
Other HUD contributions					-
Other contributions	2,527				2,527
Total contributed capital					-
Reserved fund balance:					-
Reserved for operating activities					-
Reserved for capital activities					-
Total reserved fund balance					-
Undesignated fund balance/retained earnings	730,568	69,600			800,168
TOTAL EQUITY	8,213,904	69,600	578,303	-	8,861,807
TOTAL LIABILITIES AND EQUITY	8,423,768	137,671	578,303	-	9,139,742

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist
 COMBINING STATEMENT OF REVENUES, EXPENSE AND
 CHANGE IN RETAINED EARNINGS-ALL FUNDS
 For the year ended September 30, 1999

SCHEDULE III

page 1 of 2

	Low Rent	Certificates	CGP	PHDEP	Total
REVENUE					
Net tenant revenue	282,223				282,223
Tenant revenue -other	15,815				15,815
Total tenant revenue					-
HUD PHA grants	928,727	416,636	140,533	95,076	1,580,972
Other government grants					-
Investment income-unrestricted	15,593	6,136			21,729
Mortgage interest income					-
Fraud recovery					-
Other revenue	593				593
Gain or loss of the sale of fixed assets					-
Investment income-restricted					-
TOTAL REVENUE	1,242,951	422,772	140,533	95,076	1,901,332
EXPENSES:					
Administrative:					
Administrative salaries	122,712	14,575			137,287
Auditing fees	8,010	2,798			10,808
Outside management fees					-
Compensated absences	26,596				26,596
Employee benefit contributions-administrative	45,333	7,095			52,428
Other operating-administrative	106,177	4,388	140,533	95,076	346,174
Tenant services:					
Tenant services-salaries					-
Relocation costs					-
Employee benefit contributions-tenant services					-
Tenant services-other	5,412				5,412
Utilities:					
Water	126,741				126,741
Electricity	24,529				24,529
Gas	85,140				85,140
Fuel					-
Labor					-
Employee benefit contributions-utilities					-
Other utilities expense	82,381				82,381
Ordinary maintenance and operations:					
Ordinary maintenance and operations-labor	147,409				147,409
Ordinary maintenance and operations-materials and other	85,725				85,725
Ordinary maintenance and operations-contract costs	129,232	648			129,880
Employee benefit contributions-ordinary maintenance	53,879				53,879
Protective services:					
Protective services-labor					-
Protective services-other contract costs					-
Protective services-other					-
Employee benefit contributions-protective services					-

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist
 COMBINING STATEMENT OF REVENUES, EXPENSE AND
 CHANGES IN RETAINED EARNINGS-ALL FUNDS
 For the year ended September 30, 1999

SCHEDULE III

	Low Rent	Certificates	CGP	PHDEP	Total
General expenses:					
Insurance premiums	122,289	4,907			127,196
Other general expenses					-
Payments in lieu of taxes					-
Bad debt-tenant rents	(910)				(910)
Bad debt-mortgages					-
Bad debt-other					-
Housing assistance payments		368,990			368,990
Extraordinary maintenance	51,295				51,295
OPERATING EXPENSES BEFORE DEPRECIATION	1,221,950	403,401	140,533	95,076	1,860,960
NET OPERATING INCOME BEFORE DEPRECIATION	21,001	19,371	-	-	40,372
Depreciation expense	350,500	-	-	-	350,500
Net operating income (loss) after depreciation	(329,499)	19,371	-	-	(310,128)
Retained earnings (operating reserve) 9-30-98	726,840	50,229	-	-	777,069
Add: HUD-REAC prior year GAAP adjustments	(17,273)		-	-	(17,273)
Operating Income before depreciation	21,001	19,371	-	-	40,372
Retained earnings (operating reserve) 9-30-99	730,568	69,600	-	-	800,168
Net HUD contributions, 9-30-98	16,786,281	-	507,928	-	17,294,209
Current year adjustments and REAC adjustments	(9,305,472)	-	70,375	-	(9,235,097)
Net HUD contributions, 9-30-99	7,480,809	-	578,303	-	8,059,112
Net other contribution, 9-30-99	2,527				2,527
Net contributions, 9-30-99	7,483,336	-	578,303	-	8,061,639
TOTAL EQUITY, 9-30-99	8,213,904	69,600	578,303	-	8,861,807

see notes to financial statements

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**REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENTAL AUDITING STANDARDS**

**BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE PARISH OF ST. JOHN THE BAPTIST
LAPLACE, LOUISIANA 70806**

I have audited the financial statements of the Housing Authority of the Parish of St. John the Baptist (PHA), as of and for the year ended September 30, 1999, and have issued my report thereon dated May 1, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 99-2a, 99-3a, 99-4a, 99-7a and 99-8a.

Internal Control Over Financial Reporting

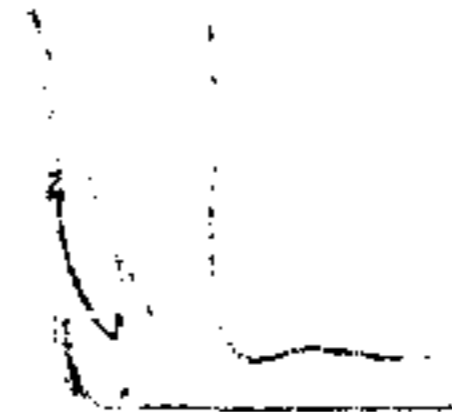
In planning and performing my audit, I considered the PHA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operating that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design of operation of the internal control over financial reporting that, in my judgment, could adversely affect the PHA's ability to record, process, summarize and report financial data consistent with assertions of management in

the financial statements. Reportable conditions are described in the accompanying *schedule of findings and questioned costs* as items 99-2a, 99-3a, 99-4a, 99-7a and 99-8a.

A material weakness is a condition in which the design or cooperation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider items 99-2a, 99-3a, 99-4a, 99-7a and 99-8a.

This report is intended for the information of the audit committee, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.

May 1, 2000



William Daniel McCaskill, CPA
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REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE PARISH OF ST. JOHN THE BAPTIST
LAPLACE, LOUISIANA 70806

Compliance

I have audited the compliance of the Housing Authority of the Parish of St. John the Baptist (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 1999. The PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the PHA's management. My responsibility is to express an opinion on the PHA's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards: the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular, Audits of States, Local Governments, and Non Profit Organizations. Those standards and OMB Circular A-133 require that I 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 PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the PHA's compliance with those requirements.

As described in items 99-2, 99-3, 99-4, 99-5, 99-6, 99-7 and 99-8 in the accompanying schedule of findings and questioned costs, the PHA did not comply with requirements regarding Reporting, Cash Management, Activities Allowed or Unallowed, Allowable Costs—Cost Principles that are applicable to its Low Income Housing, Section 8

Program, Comprehensive Grants, and PHDEP. Compliance with such requirements is necessary, in my opinion, for the PHA to comply with requirements applicable to these programs.

In my opinion, except for the noncompliance described in preceding paragraph, the PHA complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1999.

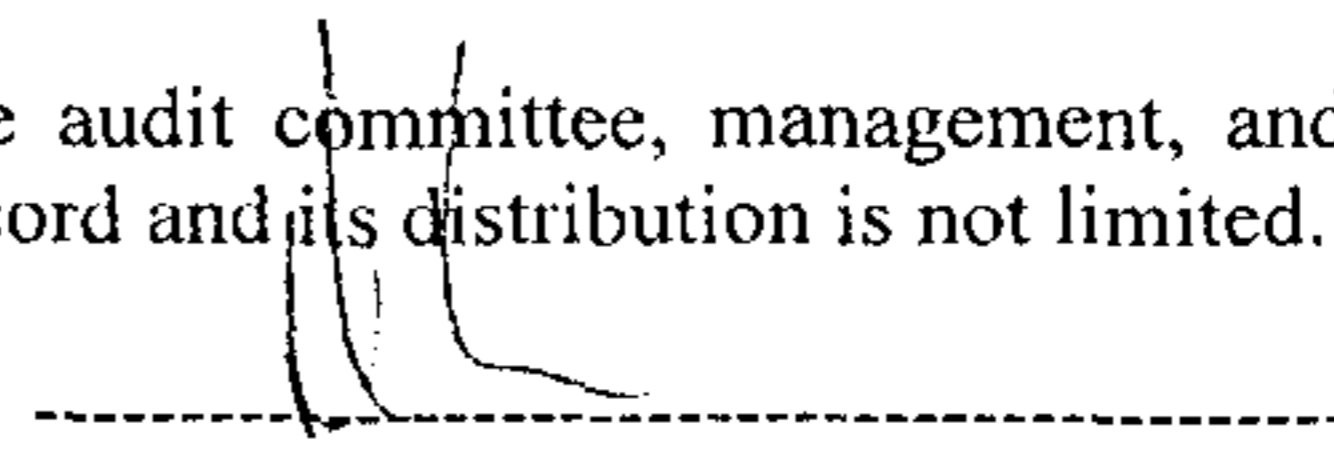
Internal Control Over Compliance

The management of the PHA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the PHA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted certain matter involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect the PHA's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-2, 99-3, 99-4, 99-5, 99-6, 99-7, and 99-8.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider items 99-2, 99-3, 99-4, 99-5, 99-6, 99-7, and 99-8 to be material weaknesses.

This report is intended for the information of the audit committee, management, and HUD. However, this report is a matter of public record and its distribution is not limited.



William Daniel McCaskill, CPA
A Professional Accounting Corporation

May 1, 2000

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit included 1 finding that there was evidence that the Parish Council was attempting to have input in the day to day operations of the PHA and that the Board of Commissioners was attempting to have input in the day to day operations of the PHA.

Subsequent to the publication of the prior audit, much of the top management of the PHA was replaced.

Subsequent to that action, the entire Board of Commissioners was replaced.

The current Executive Director of the PHA indicates that since he has been in charge of the day to day operations of the PHA, neither the Parish Council nor the Board of Commissioners have attempted to have any input at all in the day to day operations of the PHA.

Based on the above statement by the current Executive Director, we are not repeating the prior audit finding.

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

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Per A-133, Section 505(d)

1. Summary Schedule of Auditors Results:

- i. The report includes an unqualified opinion on the financial statements.
- ii. Reportable conditions in internal controls found at the financial statement level were disclosed by the audit of the financial statements and were considered material weaknesses.
- iii. The audit disclosed noncompliance which is material to the financial statements.
- iv. Reportable conditions in internal control over major programs were disclosed by the audit.
- v. The compliance report issued for major programs was qualified.
- vi. The report disclosed audit findings required to be reported under Section 510a of A-133.
- vii. All major programs have oversight by HUD and are identified as follows:

CFDA #	Name of Program
14.850	Low Income Housing
14.859	Comprehensive Grants
- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.00.
- ix. The auditee was not considered a low risk auditee.

2. Findings relating to the financial statements required to be reported with GAGAS are as follows:

Finding Number 99-2a

Statement of Conditions--Account 1128 Deposits Over and Under has a balance of \$28,544.48 as of 9-30-99. This indicates that the actual bank deposits do not agree with what should have been deposited in the bank account in the amount of \$28,544.48.

Criteria--Account 1128 should zero out each month. The PHA should adequately control it's receipts and bank deposits.

Effect--The PHA exhibits a lack of control over this basic function.

Cause--The PHA staff has not been exercising proper internal controls.

PHA Response--The PHA had numerous management turnovers during the fiscal year. The current management will see that proper internal controls are established and maintained. The PHA employs a fee accountant and the fee accountant did not notify the PHA staff that there were deposit imbalances.

Finding 99-3a

Statement of Conditions--The PHA ran over budget in 5 Low Rent expense categories for a total of \$51,672.

Criteria--According to State law, the PHA must follow it's approved operating budget.

Effect--The PHA may not have adequate control over it's expenditures.

PHA Response--The PHA had numerous management turnovers during the fiscal year. The current management will see that proper internal controls over expenditures are established and maintained.

Finding 99-4a

Statement of Conditions--This audit is late per State law.

Criteria--State law requires that the audit report be published within 6 months of the end of the fiscal year.

Effect--The PHA violated State law.

Cause--The PHA did not provide the fee accountant with the financial information on a timely basis allowing for the audit to be on time.

PHA Response--The PHA had numerous management turnovers during the fiscal year. The current management will see that the current fiscal year is closed timely and that the next audit is timely.

Finding 99-8a

Statement of Conditions--Of the 38 transactions tested for expenditure documentation, 5 lacked proper documentation. The total tested was \$29,447.63 and the unsupported items amounted to \$3,799.79

Criteria--Invoices or other adequate documentation must be retained for all expenditures.

Effect--The PHA cannot prove that all expenditures were proper.

PHA Response--We concur with this finding.

3. Findings and questioned costs for Federal awards as defined in A-133, Section 510a, all with HUD oversight:

Finding 99-1

1. Name of Program--Low Income Housing
Identification Number--
CFDA Title and Number--14.850
Federal Award Number & Year--1999
Name of Federal Agency--HUD
Name of Pass Through Entity--None
2. Criteria--By 3-31-2000, the PHA should have completed the electronically submitted MASS report to HUD.
3. Condition--The PHA has not reported to HUD the Management Assessment Subsystem report (MASS).
4. Amount of questioned costs and how they were computed--None
5. There are numerous other reports due to HUD that have not been filed, including the Resident Assessment Survey data (RASS), PIC (which deals with the unit and building configuration, and LOCCS reports, which allow access to monies owed to the PHA by HUD.
6. Effect--The PHA should receive a presumptive zero for not submitting this report. As I understand HUD regulations, the PHA should be declared "Troubled" and placed under the supervision and direct control of the Troubled Agency Recovery Team (TARC).
7. Recommendations to prevent future occurrences of the finding include training staff to HUD reporting requirements.
8. PHA officials agree with the finding.

Finding 99-2

1. Name of Program--Low Income Housing
Identification Number--
CFDA Title and Number--14.850
Federal Award Number & Year--1999
Name of Federal Agency--HUD
Name of Pass Through Entity--None
2. Criteria--Account 1128 should zero out each month. The PHA should adequately control it's receipts and bank deposits.
3. Condition--Account 1128 Deposits Over and Under has a balance of \$28,544.48 as of 9-30-99. This indicates that the actual bank deposits do not agree with what should have been deposited in the bank account in the amount of \$28,544.48.
4. Amount of questioned costs and how they were computed--
\$28,544.48 Questioned--This was computed by taking the amount in Account 1128 Deposits Over and Under. This amount is unaccounted for.
5. This amount is out of a total dwelling rent charged for the year of \$282,223.00.
6. Effect--The PHA exhibits a lack of control over this basic function.
7. Recommendations to prevent future occurrences of the finding include balancing the rent register to the general ledger and to the bank deposits on a monthly basis. Any imbalance should be aggressively reconciled immediately.
8. PHA officials agree with the finding

Finding 99-3

1. Name of Program--Low Income Housing
Identification Number--
CFDA Title and Number--14.850
Federal Award Number & Year--1999
Name of Federal Agency--HUD
Name of Pass Through Entity--None
2. Criteria--According to State law, the PHA must follow it's approved operating budget.
3. Condition--The PHA ran over budget in 5 Low Rent expense categories for a total of \$51,672.
4. Amount of questioned costs and how they were computed--
None
5. The PHA budget was for \$1,314,285 this fiscal year. It includes 17 controllable expense categories.
6. Effect--The PHA may not have adequate control over it's expenditures.
7. Recommendations to prevent future occurrences of the finding include PHA staff refusing to sign any check that is not within the budget.
8. PHA officials agree with the finding.

Finding 99-4

1. Name of Program--
This is an entity wide finding. All programs managed by the PHA are affected by it. They include Low Income Housing, Certificates, Vouchers, Comprehensive Grants, and Public Housing Drug Elimination Programs.
Identification Number--
CFDA Title and Number--14.850, 14.855, 14.857, 14.859, and 14.852.
Federal Award Number & Year--1999
Name of Federal Agency--HUD
Name of Pass Through Entity--None
2. Criteria--State law requires that the audit report be published within 6 months of the end of the fiscal year.
3. Condition--This audit is late per State law.
4. Amount of questioned costs and how they were computed--
None
5. This audit discloses numerous conditions such as this, however, this is probably the most serious of this type.
6. Effect--The PHA violated State law.
7. Recommendations to prevent future occurrences of the finding include PHA staff ensuring that all information is provided the fee accountant on a timely basis, that the fee accountant close out the books on a timely basis so the auditor can conduct the audit timely.
8. PHA officials agree with the finding.

Finding 99-5

1. Name of Program--Low Income Housing
Identification Number--
CFDA Title and Number--14.850
Federal Award Number & Year--1999
Name of Federal Agency--HUD
Name of Pass Through Entity--None
2. Criteria--Per the cooperation agreement between the PHA and the parish, the sheriff must provide the same level of services to residents of the PHA as to other parish residents. The PHA pays a Payment in Lieu of Taxes (PILOT) to compensate for these services. If the off duty police officers receive the "first call", and if there is rarely another call while they are responding to this call, it appears that the sheriff's department may not be providing the same level of service to PHA residents as to other residents.
3. Condition--The PHA has been paying the parish sheriff's department monies out of it's drug elimination program in addition to paying monies out of it's operating budget.
4. Amount of questioned costs and how they were computed--
None
5. This finding only relates to only one type of expenditure for the PHA.
6. Effect--The PHA and the sheriff's department may be violating the cooperation agreement.
7. Recommendations to prevent future occurrences of the finding include terminating the Low Rent portion of the payments and examining the PHDEP portion to ensure that it is paying for services in addition to those provided all citizens of the parish.
8. PHA officials agree with the finding.

Finding 99-6

1. Name of Program--Comprehensive Grants
Identification Number--
CFDA Title and Number--14.852
Federal Award Number & Year--1999
Name of Federal Agency--HUD
Name of Pass Through Entity--None
2. Criteria--The PHA should be reimbursed for appropriate expenditures incurred for the CGP program.
3. Condition--The PHA staff has not had access to the HUD system for receiving CGP grant monies since September 1999.
4. Amount of questioned costs and how they were computed--None
5. This is one of numerous audit disclosures where it appears PHA staff is untrained in working within the HUD systems.
6. Effect--Either the Conventional Program has to loan monies to the CGP program or the CGP program cannot sustain budgeted and approved improvements to the apartments, causing the residents to suffer.
7. Recommendations to prevent future occurrences of the finding include training PHA staff to all facets of the HUD systems.
8. PHA officials agree with the finding. However, the PHA asserts that it does not have any CGP programs ongoing at this time. The PHA is in the process of re evaluating the long term and short term goals of the CGP programs and will then proceed with the CGP programs.

Finding 99-7

1. Name of Program--Low Income Housing
Identification Number--
CFDA Title and Number--14.850
Federal Award Number & Year--1999
Name of Federal Agency--HUD
Name of Pass Through Entity--None
2. Criteria--As we interpret the PHA's travel policy, advances for travel are to be documented upon the return of the travel and either the PHA is to reimburse the traveler or the traveler is to reimburse the PHA for the difference between the travel advance and the actual costs incurred.
3. Condition--The prior audit management letter comments printed with the prior audit report included a comment that some members of the Board had been advanced travel monies but had not settled up with the PHA upon completion of the travel.

During the current audit, we noted 1 instance where a board member was reimbursed \$33.65 without proper documentation attached.
4. Amount of questioned costs and how they were computed--None
5. This finding relates to board travel only. The travel expenditures for this fiscal year were \$22,308.98.
6. Effect--The Board members may not be following the PHA's travel policy.
7. Recommendations to prevent future occurrences of the finding include having board members settle up with the PHA after every excursion. At that point, either the PHA would disburse any amounts incurred over the travel advance or receive a reimbursement from the board member for any amounts totaling less than the travel advance. In any case, the travel costs should be documented by receipts.
8. PHA officials agree with the finding. In the future, we plan to use HUD per diem rate regulations and only require a post travel settlement in the cases where the traveler spent more than the per diem.

Finding 99-8

1. Name of Program--Low Income Housing
Identification Number--
CFDA Title and Number--14.850
Federal Award Number & Year--1999
Name of Federal Agency--HUD
Name of Pass Through Entity--None
2. Criteria--Invoices or other adequate documentation must be retained for all expenditures.
3. Condition--Of the 38 transactions tested for expenditure documentation, 5 lacked proper documentation. The total tested was \$29,447.63 and the unsupported items amounted to \$3,799.79.
4. Amount of questioned costs and how they were computed--None
5. Five of thirty 38 transactions tested lacked proper documentation. The total tested was \$29,447.63. The 5 lacking proper documentation totaled \$3,799.79.
6. Effect--The PHA cannot prove that all expenditures were proper.
7. Recommendations to prevent future occurrences of the finding include PHA staff refusing to sign any checks without proper documentation attached.
8. PHA officials agree with the finding.

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

CORRECTIVE ACTION PLAN

Our corrective action plan is as follows:

Finding 99-1

Person Responsible--Tom Gholson

Completion Date--6-30-2000

Corrective Action Planned--We will gather the MASS information and electronically submit the data. We will train staff on all HUD reporting requirements.

Finding 99-2 & 99-2a

Person Responsible--Claudette Raphael

Completion Date--7-31-2000

Corrective Action Planned--We will analyze account 1128 Deposits Over and Under, account 1122 Tenant Accounts Receivable (TAR), and account 2114 Tenant Security Deposits (TSD) on a monthly basis. We will reconcile the rent register and the bank deposits with the general ledger each month.

Finding 99-3 & 99-3a

Person Responsible--Tom Gholson

Completion Date--6-30-2000

Corrective Action Planned--We will monitor the budget versus actual expenditures monthly and see that no expenditure is made unless budgeted.

Finding 99-4 & 99-4a

Person Responsible--Tom Gholson

Completion Date--3-31-2001

Corrective Action Planned--We will make sure that the fee accountant closes the fiscal year on time and that the audit is done timely. We are already under contract for this year's audit.

Finding 99-5

Person Responsible--Tom Gholson

Completion Date--5-10-2000

Corrective Action Planned--The Board has approved cancelling the portion of these expenditures that is budgeted out of the Low Rent program.

Finding 99-6

Person Responsible--Claudette Raphael

Completion Date--6-30-2000

Corrective Action Planned--We will secure training on LOCCS draw requisitions and take the necessary actions to draw down any monies due the PHA.

Finding 99-7

Person Responsible--Tom Gholson

Completion Date--5-31-2000

Corrective Action Planned--In the future, we will require that everyone document and settle up any over/under travel advances.

Finding 99-8 & 99-8a

Person Responsible--Tom Gholson

Completion Date--5-31-2000

Corrective Action Planned--We will not sign any check in the future without proper documentation attached.