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HOUSING AUTHORITY OF THE PARISH OF ST. CHARLES, LOUISIANA  
REPORT ON EXAMINATION OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA  
TWELVE MONTHS ENDED SEPTEMBER 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 Jan 17 1998

**Ernst & Associates**  
COMMERCIAL ACCOUNTANTS

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HOUSING AUTHORITY OF ST CHARLES PARISH  
SUMMARY OF AUDITOR'S RESULTS AND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results

- A. We issued an unqualified opinion on the Housing Authority of St. Charles Parish, Louisiana for the audit of its financial statements for the year ended September 30, 1997.
- B. No reportable conditions in internal control were disclosed by our audit of the financial statements.
- C. The audit did not disclose any noncompliance which is material to the financial statements.
- D. No reportable conditions in internal control were disclosed by our audit over major programs.
- E. We issued an unqualified opinion on compliance for major programs.
- F. Our audit disclosed audit findings that are herein listed and that we are required to report under 510(a) of OMB Circular A-133. Our audit procedures also included those of HUD Notice PIH 96-53.
- G. Major programs are as follows, and see Schedule of Federal Expenditures for CFDA numbers and amounts:
  - 1. Low Income Housing
  - 2. Section 8 HAP – Existing
  - 3. Section 8 HAP – Voucher
  - 4. CIAP
- H. The dollar threshold to distinguish Type A and Type B programs is \$ 300,000.
- I. The Housing Authority of St. Charles Parish, Louisiana qualified for the year ended September 30, 1997 as a low-risk auditee.

Schedule of Findings and Questioned Costs

- J. There are findings in these financial statements that are required to be reported in accordance with GAGAS. They are listed on the Schedule of Audit Findings.
- K. There are audit findings (but no questioned costs) for Federal awards which shall include audit findings as described in 510(a) of OMB Circular A-133. Our audit procedures also included those of HUD Notice PIH 96-53.

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MEMBER - CHARTERED CPAs

**Independent Auditor's Report**

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

Regional Inspector General for Audit  
Office of Inspector General  
Department of Housing and Urban  
Development

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the Housing Authority of St Charles Parish, Louisiana at and for the year ended September 30, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority of St Charles Parish, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the 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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the authority's policy is to prepare its financial statements on the basis of accounting practices prescribed or permitted by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. This report is intended solely for filing with the Department of Housing and Urban Development and is not intended for any other purpose.

In our opinion, the general-purpose financial statements and the combining and individual fund and account group financial statements, referred to above present fairly, in all material respects, the financial position of the Housing Authority of St Charles Parish, Louisiana as of September 30, 1997 and the results of its operations and changes in its surplus for the year then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 27, 1998 on our consideration of Housing Authority of St. Charles Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statement of the Housing Authority of St. Charles Parish, taken as a whole. 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, *Audit 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 our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Estes and Associates*

Fort Worth, Texas  
May 27, 1998

HOUSING AUTHORITY OF ST CHARLES PARISH

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
SEPTEMBER 30, 1997

	Governmental Fund Types				Fiduciary Fund Types		Account Groups		Total (Memorandum Only)
	General	Special Revenues	Debt Service	Capital Projects	Trust and Agency	Account Groups			
						General Funded Assets	General Long-Term Debt		
<b>ASSETS</b>									
Cash and cash equivalents	\$ 84,182.37	\$	\$	\$	\$ 7,481.35	\$	\$	\$	\$ 91,663.72
Investments	234,051.85								234,051.85
Receivables, net of allowances:									
Rentals	65,097.40								65,097.40
Other	438.60								438.60
Due from:									
Other funds	28,074.87	144,803.28		7,481.60					180,360.75
Other governments	2,640.32	28,898.00	120,533.56						152,071.88
Prepaid expenditures	12,066.28						4,834,887.68		4,850,997.68
Property, plant and equipment									
Amount to be provided for retirement of general long-term debt							1,246,408.26		1,246,408.26
<b>Total Assets</b>	<b>\$ 368,188.82</b>	<b>\$ 174,698.28</b>	<b>\$ 183,533.56</b>	<b>\$ 7,481.60</b>	<b>\$ 7,481.35</b>	<b>\$ 4,834,887.68</b>	<b>\$ 1,246,408.26</b>	<b>\$ 9,876,455.66</b>	

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

## HOUSING AUTHORITY OF ST CHARLES PARISH

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS (Continued)  
SEPTEMBER 30, 1997

	Commercial Fund Types			Mandatory Fund Types			Account Groups		
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Fund Assets	General Long-Term Debt	Total (Manufacturing Only)	
<b>LIABILITIES</b>	\$ 8,478.11	\$	\$	\$	\$	\$	\$	\$ 8,478.11	
Accounts payable								0.00	
Accrued liabilities									
Due to:					7,421.25			7,421.25	
Tenants	150,000.00							150,000.00	
Other funds	58,754.42	64,201.80						122,956.22	
Other governments	207.00							207.00	
Deferred interest									
General obligations, bonds payable and other liabilities									
<b>Total Liabilities</b>	\$ 158,962.62	\$ 64,201.80	\$ 0.00	\$ 0.00	\$ 7,421.25	\$ 0.00	\$ 1,248,400.00	\$ 1,480,985.67	
<b>FUND EQUITY</b>									
Investment in general fixed assets						4,924,467.66		4,924,467.66	
Fund balances:				7,401.00				7,401.00	
Reserved for capital projects									
Reserved for debt service			123,523.98		0.00	4,924,467.66	0.00	5,047,991.64	
Unreserved	468,247.01	61,677.82						529,924.83	
Unassigned									
<b>Total Fund Equity</b>	\$ 468,247.01	\$ 61,677.82	\$ 123,523.98	\$ 7,401.00	\$ 0.00	\$ 4,924,467.66	\$ 0.00	\$ 5,350,941.19	
<b>Total Liabilities and Fund Equity</b>	\$ 627,209.63	\$ 125,879.62	\$ 123,523.98	\$ 7,401.00	\$ 7,421.25	\$ 4,924,467.66	\$ 1,248,400.00	\$ 6,375,151.69	

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



## HOUSING AUTHORITY OF ST CHARLES PARISH

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED SEPTEMBER 30, 1997**

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>REVENUES</b>					
Rentals	\$ 80,280.48	\$	\$	\$	\$ 80,280.48
Intergovernmental	255,185.00	888,736.00	130,389.83	589,484.87	1,863,717.80
Interest	13,686.14	4,981.82			18,667.96
Other	(8,144.11)				(8,144.11)
<b>Total Revenues</b>	<u>324,248.73</u>	<u>893,717.82</u>	<u>130,389.83</u>	<u>589,484.87</u>	<u>2,048,733.25</u>
<b>EXPENDITURES</b>					
Administration	48,291.08	138,892.38			179,983.88
Utilities	124,718.28				124,718.28
Ordinary maintenance	88,193.94				88,193.94
Protective services	172.58				172.58
General expenditures	60,173.03				60,173.03
Housing assistance payments		888,431.15			888,431.15
Tenant services	8,701.88				8,701.88
Capital expenditures	447.30			578,222.58	578,669.88
Debt service:					
Principal retirement			58,318.30		58,318.30
Interest			75,193.38		75,193.38
<b>Total expenditures</b>	<u>328,485.83</u>	<u>1,000,283.45</u>	<u>133,503.68</u>	<u>578,222.58</u>	<u>1,998,486.54</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,762.90</u>	<u>(106,565.63)</u>	<u>(13,113.85)</u>	<u>21,262.29</u>	<u>80,246.76</u>
<b>OTHER FINANCING SOURCES/USES</b>					
Operating transfers in					0.00
Operating transfers out					(0.00)
<b>Total other financing sources/uses</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>FUND BALANCE, beginning of year</b>	<u>133,868.21</u>	<u>86,625.86</u>	<u>103,647.01</u>	<u>(15,831.42)</u>	<u>341,406.75</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 169,631.11</u>	<u>\$ 81,072.32</u>	<u>\$ 103,533.18</u>	<u>\$ 7,401.08</u>	<u>\$ 391,658.51</u>

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

HOUSING AUTHORITY OF ST CHARLES PARISH  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND AND SPECIAL REVENUE FUNDS  
 YEAR ENDED SEPTEMBER 30, 1997

	General Fund			Special Revenue Funds		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>						
Rentals	\$ 94,190.00	\$ 93,280.46	\$ (1,049.53)	\$	\$	\$ 0.00
Intergovernmental	255,185.00	255,185.00	0.00	1,007,263.00	868,758.08	(14,419.92)
Interest	7,000.00	50,888.74	3,888.74		4,804.82	4,804.82
Other income	3,000.00	5,144.71	2,094.71			0.00
<b>Total Revenues</b>	<b>\$67,375.00</b>	<b>\$64,599.91</b>	<b>\$ (2,775.09)</b>	<b>1,007,263.00</b>	<b>\$61,858.92</b>	<b>\$ (28,773.08)</b>
<b>EXPENDITURES</b>						
Administration	\$2,850.00	48,081.58	44,458.42	124,000.00	130,888.36	6,888.36
Utilities	140,000.00	134,716.89	(5,213.11)			0.00
Ordinary maintenance	98,800.00	181,863.64	83,063.64			0.00
Protective services		172.82	172.82			0.00
General expenditures	82,548.00	66,173.00	(16,375.00)			0.00
Tenant services	8,850.00	8,781.58	(68.42)			0.00
Housing assistance payments			0.00	898,814.00	889,431.45	(9,382.55)
Capital expenditures		647.30	647.30			0.00
<b>Total Expenditures</b>	<b>\$385,878.00</b>	<b>\$328,466.63</b>	<b>\$ (57,411.37)</b>	<b>1,007,263.00</b>	<b>1,000,268.45</b>	<b>\$ (7,000.55)</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 28,787.00	28,787.00	\$ 0.00	\$ 0.00	\$ (8,409.53)	\$ (8,409.53)
Transfer of net income to unreserved deficit						
<b>FUND BALANCES, beginning of year</b>		<u>130,868.21</u>			<u>\$ 60,659.89</u>	
<b>FUND BALANCES, end of year</b>		<u>\$ 159,655.21</u>			<u>\$ 81,807.32</u>	

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

HOUSING AUTHORITY OF ST CHARLES PARISH

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHARGES IN FUND BALANCES  
 BUDGET (GMAP BASIS) AND ACTUAL  
 DEBT SERVICE AND CAPITAL PROJECTS FUNDS  
 YEAR ENDED SEPTEMBER 30, 1997

	Debt Service Fund		Capital Projects Funds		Over (Under) Budget
	Budget	Actual	Over (Under) Budget	Budget	
<b>REVENUES</b>					
Intergovernmental	\$ 20,369.83	\$ 20,369.83	0.00	\$69,454.97	\$69,454.97
Total Revenues	<u>20,369.83</u>	<u>20,369.83</u>	<u>0.00</u>	<u>69,454.97</u>	<u>69,454.97</u>
<b>EXPENDITURES</b>					
Housing assistance payments			0.00		0.00
Capital expenditures			0.00	\$69,454.97	\$69,454.97
Debt Service	58,210.00	58,210.00	0.00		0.00
Principal retirement	78,180.38	78,180.38	0.00		0.00
Interest			0.00	\$69,454.97	\$69,454.97
Total Expenditures	<u>136,390.38</u>	<u>136,390.38</u>	<u>0.00</u>	<u>138,909.94</u>	<u>138,909.94</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (113,020.55)	\$ (113,020.55)	0.00	\$ 69,454.97	\$ 69,454.97
Transfer of net income to unreserved fund					
FUND BALANCES, beginning of year		203,698.83			203,698.83
FUND BALANCES, end of year		\$ 90,678.28			\$ 90,678.28

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

## HOUSING AUTHORITY OF ST CHARLES PARISH

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 1997

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of St Charles Parish, Louisiana (the Authority), a public corporate body, was organized for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low income.

The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. In addition, the Authority has administrative responsibility for various other community development programs whose primary purpose is the development of viable urban communities by providing decent housing, a suitable living environment, and economic opportunities principally for persons of low and moderate income.

The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of St Charles Parish, Louisiana. Each member serves a five-year term on a rotating basis. Substantially all of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities, housing assistance payments for eligible individuals, and receipt of annual debt service requirements for HUD-related long-term debt.

#### (1) Financial Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations and data from these units, if any, are combined with data of the Authority. Each discretely presented component unit, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Authority. As of September 30, 1997, and for the fiscal year then ended, the Authority had no discretely presented component units or any component units required to be blended in these financial statements.

#### (2) Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The various funds are grouped by type and broad categories in the financial statements as follows:

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

HOUSING AUTHORITY OF ST CHARLES PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(3) Fund Accounting (continued)

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the Authority are financed. The measurement focus is on determination of financial position and changes in financial position rather than on net income determination. The following are the Authority's governmental fund types:

General Fund - The General Fund is the general operating fund of the Authority. The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Authority which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to their use by outside sources are recorded in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for the payment of interest, principal, and related costs of general long-term debt.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction, or rehabilitation of major capital facilities.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Authority as an agent for individuals, private organizations, other governmental units, and/or other funds. The following is the Authority's fiduciary fund type:

Agency Funds - Agency Funds include Tenant Security Deposit Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations.

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

HOUSING AUTHORITY OF ST CHARLES PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**ACCOUNT GROUPS**

Account groups are used to establish accounting control and accountability for the Authority's general fixed assets and general long-term debt for governmental fund types. These are not "funds." They are concerned only with the measurement of financial position and not with results of operations. The following are the Authority's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Authority.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the Authority.

(4) **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are considered "measurable" when received in cash, except for certain revenues which are accrued when they are both measurable and available or have not been received at the normal time of receipt. Certain grant revenues are accrued when funds are expended. Revenues susceptible to accrual are federal grants, interest on investments, and other miscellaneous revenues which are both measurable and available to finance expenditures of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Agency Funds are custodial in nature and do not measure results of operations. They are clearing accounts whose assets at all times are equally offset by related liabilities.

(5) **Budgetary Data**

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program, included in the General Fund, and all Assisted Housing (Section 8) Programs, included in Special Revenue Funds. Annual budgets are not required for Capital Projects Funds as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval.

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

HOUSING AUTHORITY OF ST CHARLES PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no changes of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures, such as reinstatement of prior-year encumbrances. The Board and HUD must approve fund appropriation increases. Any unused appropriations lapse at year-end. Budgeted amounts are as originally adopted or as amended by the Board and HUD.

The original budget has been amended throughout the year to reflect changes in revenue and expenditure estimates.

The budget is prepared on a statutory (HUD) basis and does not contain a provision for uncollectible tenant receivables. The difference is not considered materially different from generally accepted accounting principles.

(6) Cash and Cash Equivalents

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

(7) Tenant Receivables

Receivables for rentals and service charges are reported in the General Fund, net of allowances for doubtful accounts amounting to \$ -0- at September 30, 1997.

(8) Interfund Transactions

During the course of normal operations, the Authority has numerous transactions between funds to provide services, construct assets, and service debt. These transactions are generally reflected as operating transfers except for transactions reimbursing a fund for expenditures made by it for the benefit of another fund. Such transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund.

(9) General Fixed Assets

General Fixed Assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at estimated fair market value at the time received. Depreciation is not recorded on general fixed assets. Public domain general fixed assets (infrastructure) consisting of certain improvements other than buildings, including roads, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets.

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

HOUSING AUTHORITY OF ST CHARLES PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Costs of completed Modernization projects are reported as construction-in-progress until audited cost certification reports are submitted to HUD, at which time such costs are transferred to the appropriate property categories.

(10) General Long-Term Debt

All long-term indebtedness of the Authority is accounted for in the General Long-Term Debt Account Group and is intended to be paid through the Debt Service Fund.

(11) Compensated Absences

Authority employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service. The cost of this has not been accrued due to immateriality.

(12) Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH AND INVESTMENTS

At September 30, 1997, the Authority had invested excess funds as follows:

	<u>Amount</u>
Money market account	\$ 224,661.89
	<u>\$ 224,661.89</u>

Cash and investments are insured as follows:

FDIC insurance	\$ 91,603.72
Collateralized by pledged securities	<u>224,661.89</u>
	<u>\$ 316,265.61</u>

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



## HOUSING AUTHORITY OF ST CHARLES PARISH

## NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

## NOTE C - ACTIVITIES OF THE PHA

At September 30, 1997, the PHA was managing 129 units of low-rent in one project under Program FW - 1455, 264 units of Section 8 existing under Program FW-2080, and 51 units of Section 8 Voucher under Program FW-2258.

## 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.

## NOTE E - PROPERTY, PLANT AND EQUIPMENT

Changes in the general fixed assets account group are as follows:

	<u>Beg. of</u>		<u>Additions</u>		<u>Deletions</u>		<u>End of</u>
Land, land imprvt.	\$ 520,749.12	\$		\$		\$	520,749.12
Buildings	4,305,023.81						4,305,023.81
Equipment	107,933.25		1,181.50				109,114.75
Total	<u>\$4,933,706.18</u>	\$	<u>1,181.50</u>	\$	<u>0.00</u>	\$	<u>\$4,934,887.68</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.

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

HOUSING AUTHORITY OF ST CHARLES PARISH

NOTES TO FINANCIAL STATEMENTS  
(Continued)  
SEPTEMBER 30, 1997

NOTES F - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>Interest Rate</u>	<u>Principal Balance</u>
Bond payable, August 1, 1970 series	5.75 %	\$ <u>1,248,400.38</u>

The bonds mature in series-annually in varying amounts with the final maturity date in 2011. All required debt service to maturity on the bonds, including principal and interest, is payable by HUD under a debt service contract with the entity.

Long-term debt is secured by the land and buildings of the entity.

Changes in long-term debt is as follows:

	<u>Bonds</u>
Balance, beginning of period	\$ 1,327,710.85
Principal retirement	<u>88,310.30</u>
Balance, end of period	\$ <u>1,248,400.35</u>

Schedule retirements of long-term debt is as follows:

1998	\$ 61,652.93
1999	64,595.56
2000	68,709.59
2001	72,795.62
2002	77,295.00
Thereafter	<u>900,952.26</u>

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

HOUSING AUTHORITY OF ST CHARLES PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

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 employee contributes 5 % and the entity contributes 7 % 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, 1997 was \$ 142,272.00. The entity's contributions were calculated using the base salary amount of \$ 67,740.00. Contributions to the plan were \$ 3,387.00 and \$ 4,742.00 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. Taxable bonds are based on quoted price.

Long Term Debt

It is not possible to estimate the fair value of long term debt owed to the federal government by this governmental entity, a housing authority. The housing authority is unable, by law, to secure long term financing from any other source. FASB 107 describes fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

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.

HOUSING AUTHORITY OF ST CHARLES PARISH

NOTES TO FINANCIAL STATEMENTS

(Continued)

SEPTEMBER 30, 1997

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

The preparation of these financial statements requires the use of estimates by management. No significant estimates have been made by management that require disclosure.

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

HOUSING AUTHORITY OF ST CHARLES PARISH

SPECIAL REVENUE FUND TYPES  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1987

	Assisted Housing Programs		
	Existing Units Program	Voucher Program	Total
ASSETS			
Due from:			
Other funds	\$ 144,808.29	\$ 20,685.00	\$ 165,493.29
Other governments			26,858.00
Total Assets	\$ 144,808.29	\$ 20,685.00	\$ 174,258.29
LIABILITIES AND FUNDS EQUITY			
LIABILITIES			
Due to:			
Other funds	84,300.00	28,074.87	26,814.97
Other governments	84,300.00	28,074.87	80,215.97
Total liabilities	86,300.29	1,871.00	81,872.00
FUND EQUITY			
Unreserved and undesignated	86,300.29	1,871.00	81,872.00
Total fund equity	86,300.29	1,871.00	81,872.00
Total liabilities and fund equity	\$ 144,808.29	\$ 20,685.00	\$ 174,258.29

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

HOUSING AUTHORITY OF ST CHARLES PARISH  
SPECIAL REVENUE FUND TYPES  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
SEPTEMBER 30, 1997

	Assisted Housing Programs		
	Coating Units Program	Voucher Program	Total
<b>REVENUES</b>			
Intergovernmental	\$ 170,617.90	\$ 218,125.06	\$ 388,742.96
Interest	4,901.82		4,901.82
<b>Total Revenues</b>	<u>175,519.72</u>	<u>218,125.06</u>	<u>393,644.78</u>
<b>EXPENDITURES</b>			
Administration	110,454.83	17,287.87	127,742.70
Housing assistance payments	879,284.84	183,178.31	1,062,463.15
<b>Total Expenditures</b>	<u>989,739.67</u>	<u>200,466.18</u>	<u>1,190,205.85</u>
Excess (deficiency) of revenues over (under) expenditures	(814,219.95)	(82,341.12)	(896,561.07)
<b>FUND BALANCE, beginning of year</b>	<u>186,718.47</u>	<u>214,203.28</u>	<u>400,921.75</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 372,508.52</u>	<u>\$ 131,862.16</u>	<u>\$ 504,370.68</u>

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

HOUSING AUTHORITY OF ST CHARLES PARISH

CAPITAL PROJECT FUND TYPES  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1997

	CAP Project Programs		
	CAP 1994	CAP 1995	Total
<b>ASSETS</b>			
Cash			
Other funds			
Total Assets	\$ 0.00	\$ 7,401.00	\$ 7,401.00
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Total liabilities	\$ 0.00	\$ 0.00	\$ 0.00
<b>FUND EQUITY</b>			
Reserved for capital projects		7,401.00	7,401.00
Total fund equity	\$ 0.00	\$ 7,401.00	\$ 7,401.00
Total liabilities and fund equity	\$ 0.00	\$ 7,401.00	\$ 7,401.00

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

HOUSING AUTHORITY OF ST CHARLES PARISH

CAPITAL PROJECT FUND TYPES  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 SEPTEMBER 30, 1997

	CAP Housing Programs		
	CAP FSA	CAP 1996	Total
REVENUES			
Intergovernmental	\$ 547,000.00	\$ 212,454.97	\$ 759,454.97
Total Revenues	<u>547,000.00</u>	<u>212,454.97</u>	<u>759,454.97</u>
EXPENDITURES			
Capital expenditures	547,000.00	189,552.55	736,552.55
Total Expenditures	<u>547,000.00</u>	<u>189,552.55</u>	<u>736,552.55</u>
Excess (deficiency) of revenues over (under) expenditures	0.00	22,902.42	22,902.42
FUND BALANCE, beginning of year		(15,831.42)	(15,831.42)
FUND BALANCE, end of year	\$ 0.00	\$ 7,481.00	\$ 7,481.00

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



## HOUSING AUTHORITY OF ST CHARLES PARISH

FIDUCIARY FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1997

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	<u>Agency Funds</u>	
	<u>Tenant Security Deposit Funds</u>	<u>Total Fiduciary Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,421.35	\$ 7,421.35
Total Assets	\$ 7,421.35	\$ 7,421.35
<b>LIABILITIES</b>		
Due to tenants	\$ 7,421.35	\$ 7,421.35
Total Liabilities	\$ 7,421.35	\$ 7,421.35

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

HOUSING AUTHORITY OF ST CHARLES PARISH  
 FIDUCIARY FUNDS  
 SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS  
 SEPTEMBER 30, 1997

	<u>Agency Funds</u>	
	<u>Tenant Security Deposit Funds</u>	<u>Total Fiduciary Funds</u>
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 6,530.20	\$ 6,530.20
ADDITIONS		
Receipts from tenants	<u>691.15</u>	<u>691.15</u>
Total Additions	<u>691.15</u>	<u>691.15</u>
DEPOSIT BALANCES AT END OF YEAR	\$ <u>7,421.35</u>	\$ <u>7,421.35</u>

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

## HOUSING AUTHORITY OF ST CHARLES PARISH

BALANCE SHEET – STATUTORY BASIS  
SEPTEMBER 30, 1997ANNUAL CONTRIBUTION CONTRACT  
FW – 1450ASSETS

Cash - Exhibit F	\$	91,500.72
Accounts receivable - tenants		16,287.40
Accounts receivable - HUD - Exhibit D(2)		29,686.32
Accounts receivable - HUD - prior year		2,648.32
Accounts receivable - other		418.00
Investments - Note B		224,661.69
Debt amortization funds		130,533.18
Deferred charges		12,958.28
Land, structures and equipment		<u>5,561,983.97</u>
Total Assets	\$	<u>6,073,759.58</u>

LIABILITIES AND SURPLUS

Accounts payable - HUD - Exhibit D(2)		64,301.00
Accounts payable	\$	55,603.88
Deferred credits		237.00
Fixed liabilities		<u>1,249,400.36</u>
Total Liabilities		1,369,542.24
Surplus - Exhibit C		<u>4,704,217.32</u>
Total Liabilities and Surplus	\$	<u>6,073,759.56</u>

HOUSING AUTHORITY OF ST CHARLES PARISH  
STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS  
ANNUAL CONTRIBUTION CONTRACT  
1987 – 1988

	Year Ended
	09-30-87
Operating Income	
Dwelling rental	\$ 52,283.48
Interest on general fund investments	10,858.14
Other income	6,144.11
Total Operating Income - Exhibit C(1)	109,285.73
Operating Expenses:	
Administration	43,081.58
Tenant Expense	8,701.59
Utilities	124,716.99
Ordinary maintenance and operation	93,468.54
General expense	63,173.03
Nonroutine maintenance	(11,419.10)
Protective services	173.60
Total Operating Expense - Exhibit C(1)	323,906.13
Net Operating Income (Loss)	(211,622.40)
Other Charges	
Interest on notes and bonds payable	75,193.36
Prior year adjustments - affecting residual receipts	3,539.62
Total Other Charges	78,732.98
Net Loss - Exhibit C	\$ (290,525.38)

HOUSING AUTHORITY OF ST. CHARLES PARISH  
STATEMENT OF INCOME AND EXPENSES – STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT  
FY – 2000  
EXISTING

		Year Ended
		<u>09-30-97</u>
Operating Income		
Interest on general fund investments	\$	<u>4,901.82</u>
Total Operating Income - Exhibit D(2)		<u>4,901.82</u>
Operating Expenses		
Administration		112,626.53
Housing assistance payments		672,254.84
Independent public accountant audit costs		<u>838.00</u>
Total Operating Expense - Exhibit D(2)		<u>785,719.47</u>
Net Operating Income (Loss)		<u>(780,817.65)</u>
Net Loss - Exhibit C	\$	<u>(780,817.65)</u>

HOUSING AUTHORITY OF ST. CHARLES PARISH  
STATEMENT OF INCOME AND EXPENSES — STATUTORY BASIS

ANNUAL CONTRIBUTION CONTRACT

PW — 2258

VOUCHER

	Year Ended
	09-30-97
Operating Expenses	
Administration	17,225.67
Housing assistance payments	187,179.31
Independent public accountant audit costs	172.00
Total Operating Expenses - Exhibit D(3)	214,573.98
Net Operating Income (Loss)	(214,573.98)
Net Loss - Exhibit C	\$ (214,573.98)

## HOUSING AUTHORITY OF ST CHARLES PARISH

ANALYSIS OF SURPLUS — STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1997ANNUAL CONTRIBUTION CONTRACT  
FW — 1453Unreserved Surplus

Balance per prior audit at 09-30-96	\$	(9,770,116.39)
Net loss for the year ended 09-30-97 - Exhibit B(1)		(290,525.36)
(Provision for) reduction of Operating Reserve for year ended 09-30-97 - Exhibit D(1)		(39,385.68)
Balance at 09-30-97		<u>(10,100,027.43)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 09-30-96		108,425.91
Provision for (reduction of) Operating Reserve for the year ended 09-30-97 - Exhibit D(1)		39,385.68
Balance at 09-30-97 - Exhibit F	\$	<u>142,811.59</u>

## HOUSING AUTHORITY OF ST. CHARLES PARISH

ANALYSIS OF SURPLUS – STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1997

## ANNUAL CONTRIBUTION CONTRACT

FW – 1450Cumulative HUD Contributions

Balance per prior audit at 09-30-96	\$	23,437,497.91
Reclassification to Section 8 Contribution Portion of Report		(2,592,269.00)
Annual contribution for year ended		
09-30-97 - Exhibit D(1)		133,369.83
09-30-97 - Exhibit D(2)		770,617.00
09-30-97 - Exhibit D(3)		316,121.66
Operating subsidy for year ended 09-30-97		355,165.00
Balance at 09-30-97		<u>22,790,532.74</u>

Cumulative HUD Grants

Balance per prior audit at 09-30-96	730,515.41
Advances for year ended 09-30-97	<u>404,525.25</u>
Balance at 09-30-97	<u>1,135,341.66</u>

Cumulative Donations

Balance per prior audit at 09-30-96	<u>46,930.00</u>
Balance at 09-30-97	<u>46,930.00</u>



## HOUSING AUTHORITY OF ST. CHARLES PARISH

ANALYSIS OF SURPLUS – STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1997

## ANNUAL CONTRIBUTION CONTRACT

FN – 2060EXISTINGUnreserved Surplus

Balance per prior audit at 09-30-96	\$	(12,776,559.70)
Other adjustments		(2,871.00)
Net loss for the year ended 09-30-97 - Exhibit B(2)		(780,817.66)
(Provision for) reduction of Operating Reserve for year ended 09-30-97 - Exhibit D(2)		10,835.12
(Provision for) reduction of Project Account for year ended 09-30-97 - Exhibit D(2)		(649,815.00)
To adjust for 3-31-96 year end settlement		893,235.94
Balance at 09-30-97		<u>(13,305,932.29)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 09-30-96		80,501.94
Provision for (reduction of) Operating Reserve for the year ended 09-30-97 - Exhibit D(2)		(10,935.12)
Balance at 09-30-97 - Exhibit F	\$	<u>79,566.82</u>

## EXHIBIT C

## HOUSING AUTHORITY OF ST. CHARLES PARISH

ANALYSIS OF SURPLUS – STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1997

## ANNUAL CONTRIBUTION CONTRACT

PW – 2000  
EXISTINGProject Account

Balance per prior audit at 09-30-96	\$	3,396,217.94
Provision for (reduction of) Project Account for the year ended 09-30-97 - Exhibit D(c)		649,815.00
Other adjustments		2,871.00
To adjust for 3-31-96 year-end settlement		(893,225.94)
Balance at 09-30-97		<u>3,154,678.00</u>

Cumulative Contributions

Reclassification from prior section of report		1,627,022.68
Other adjustments		(2,569.68)
Balance at 09-30-97	\$	<u>1,624,453.00</u>

## HOUSING AUTHORITY OF ST. CHARLES PARISH

ANALYSIS OF SURPLUS – STATUTORY BASIS  
TWELVE MONTHS ENDED SEPTEMBER 30, 1997

## ANNUAL CONTRIBUTION CONTRACT

JW – 2222  
VOUCHERUnreserved Surplus

Balance per prior audit at 09-30-96	\$	(2,011,827.50)
Prior audit adjustments		70,973.21
Net loss for the year ended 09-30-97 - Exhibit B(3)		(214,573.66)
(Provision for) reduction of Operating Reserve for year ended 09-30-97 - Exhibit D(3)		(1,872.66)
(Provision for) reduction of Project Account for year ended 09-30-97 - Exhibit D(3)		(124,321.00)
Balance at 09-30-97		<u>(2,281,481.60)</u>

Reserved Surplus - Operating Reserve

Balance per prior audit at 09-30-96		0.00
Provision for (reduction of) Operating Reserve for the year ended 09-30-97 - Exhibit D(3)		1,872.66
Balance at 09-30-97 - Exhibit F	\$	<u>1,872.66</u>

HOUSING AUTHORITY OF ST. CHARLES PARISH  
 ANALYSIS OF SURPLUS – STATUTORY BASIS  
 TWELVE MONTHS ENDED SEPTEMBER 30, 1997

ANNUAL CONTRIBUTION CONTRACT

Part – 2258  
VOUCHER

Project Account

Balance per prior audit at 09-30-96	\$	984,179.20
Provision for (reduction of) Project Account for the year ended 09-30-97 - Exhibit D(3)		124,361.00
Prior year adjustments	\$	(70,849.20)
Balance at 09-30-97		<u>1,017,714.00</u>

Cumulative Contribution

Reclassification from prior section of report		<u>396,235.32</u>
Balance at 9-30-97		<u>396,235.32</u>
Total Surplus - Exhibit A	\$	<u>4,704,214.12</u>

## HOUSING AUTHORITY OF ST CHARLES PARISH

## COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT  
PW - 1450

	Year Ended
	<u>06-30-97</u>
<u>Computation of Residual Receipts</u>	
<u>Operating Receipts</u>	
Operating Income - Exhibit D(1)	\$ 109,060.73
HUD operating subsidy	<u>255,165.00</u>
Total Operating Receipts	<u>364,245.73</u>
<u>Operating Expenditures</u>	
Operating expenses - Exhibit D(1)	320,906.13
Capital expenditures:	
Property betterments and additions	447.00
Prior year adjustments - affecting residual receipts	<u>3,509.62</u>
Total Operating Expenditures	<u>324,903.05</u>
Residual receipts (deficit) per audit before provision for reserve	39,365.69
Audit adjustments (backed out)	<u>                    </u>
Residual receipts per PHA before provision for reserve	39,365.69
(Provision for) or reduction of operating reserves - Exhibit C	<u>(39,365.69)</u>
Residual receipts per PHA	\$ <u>0.00</u>

## HOUSING AUTHORITY OF ST CHARLES PARISH

## COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS

ANNUAL CONTRIBUTION CONTRACT  
FW - 1455

		<u>Year Ended</u> <u>09-30-07</u>
<u>Computation of Accruing Annual Contributions</u>		
Pled annual contribution	\$	<u>133,369.83</u>
Total Annual Contribution - Exhibit C	\$	<u>133,369.83</u>

## HOUSING AUTHORITY OF ST. CHARLES PARISH

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND  
PROJECT ACCOUNT — OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM

## ANNUAL CONTRIBUTION CONTRACT

PW — 2080EXISTING

		<u>Year Ended</u>
		<u>06-30-97</u>
Maximum Contribution Available		
Maximum annual contribution authorized	\$	1,423,432.00
Project account balance at beginning of fiscal year		<u>2,594,863.00</u>
Total Annual Contribution Available		<u>3,925,295.00</u>
Annual Contribution Required		
Housing assistance payments		672,254.84
Administrative fee		100,615.00
Hard-to-house fee		
Independent public accountant audit costs		<u>636.00</u>
		773,505.84
Project receipts other than annual contribution		<u>3,090.84</u>
Total Contribution Required - Exhibit C		<u>776,617.00</u>
Excess in Annual Contribution Available	\$	<u>3,154,678.00</u>
Year-end Settlement		
Annual contribution due for fiscal year		776,617.00
Total partial payments received by PHA for fiscal year		<u>834,218.00</u>
(Over) Under Payment Due (HUD) PHA - Exhibit A	\$	<u>(84,301.00)</u>

## HOUSING AUTHORITY OF ST. CHARLES PARISH

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND  
PROJECT ACCOUNT — OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM

## ANNUAL CONTRIBUTION CONTRACT

PW — 2080EXISTING

	Year Ended
	<u>09-30-97</u>
Status of Project Account	
Project account balance at the beginning of fiscal year	\$ 2,504,863.00
Increase (decrease) during fiscal year - Exhibit C	649,815.00
	<u>3,154,678.00</u>
Provision for Operating Reserve	
Operating receipts	
Operating income - Exhibit B(2)	4,901.82
Annual contributions earned	770,618.73
	775,518.55
Operating Expenditures	
Operating expenses -Exhibit B(2)	785,719.47
Property additions	734.20
	<u>786,453.67</u>
Residual receipts (deficit)	(10,935.12)
Audit adjustments - backed out	
(Provision for) reduction of operating reserve - Exhibit C	10,935.12
Residual receipts (deficit) after provision for operating reserve	\$ <u>0.00</u>



## HOUSING AUTHORITY OF ST. CHARLES PARISH

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND  
PROJECT ACCOUNT — OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM

## ANNUAL CONTRIBUTION CONTRACT

FW — 2258  
VOUCHER

		<u>Year Ended</u>
		<u>09-30-97</u>
Maximum Contribution Available		
Maximum annual contribution authorized	\$	340,512.00
Project account balance at beginning of fiscal year		<u>893,029.00</u>
Total Annual Contribution Available		<u>1,233,838.00</u>
Annual Contribution Required		
Housing assistance payments		197,176.00
Administrative fee		18,048.00
Independent public accountant audit costs		173.00
Hard-to-house fee		<u>225.00</u>
		215,622.00
Project receipts other than annual contribution		<u>0.00</u>
Total Contribution Required - Exhibit C		<u>215,622.00</u>
Excess in Annual Contribution Available	\$	<u>1,017,714.00</u>
Year-end Settlement		
Annual contribution due for fiscal year		215,622.00
Total partial payments received by PHA for fiscal year		<u>186,425.00</u>
(Over) Under Payment Due (HUD) PHA - Exhibit A	\$	<u>29,698.00</u>

## HOUSING AUTHORITY OF ST. CHARLES PARISH

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND  
PROJECT ACCOUNT — OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM

## ANNUAL CONTRIBUTION CONTRACT

FW — 8258  
VOUCHER

		<u>Year Ended</u>
		<u>09-30-97</u>
Status of Project Account		
Project account balance at the beginning of fiscal year		
Increase (decrease) during fiscal year - Exhibit C	\$	893,283.00
		<u>124,361.00</u>
		1,017,714.00
Provision for Operating Reserve		
Operating receipts		
Operating income - Exhibit B(2)		0.00
Annual contributions earned		216,121.31
		<u>216,121.31</u>
Operating Expenditures		
Operating expenses -Exhibit B(2)		214,573.98
		<u>214,573.98</u>
Cash withdrawals		125.33
		<u>1,672.69</u>
Residual receipts (deficit)		1,672.69
(Provision for) reduction of operating reserve - Exhibit C		(1,672.69)
Residual receipts (deficit) after provision for operating reserve	\$	<u>0.00</u>

HOUSING AUTHORITY OF ST. CHARLES PARISH  
 STATEMENT OF MODERNIZATION COSTS — UNCOMPLETED  
 SEPTEMBER 30, 1967

	Project 1964	Project 1965
Funds Approved	\$ 390,000.00	\$ 322,000.00
Funds Expended	<u>390,000.00</u>	<u>237,073.29</u>
Excess of Funds Approved	<u>\$ 0.00</u>	<u>\$ 84,926.71</u>
Funds Advanced	\$ 390,000.00	\$ 244,474.29
Funds Expended	<u>390,000.00</u>	<u>237,073.29</u>
Excess of Funds Advanced	<u>\$ 0.00</u>	<u>\$ 7,401.00</u>

HOUSING AUTHORITY OF ST. CHARLES PARISH  
 ANALYSIS OF GENERAL FUND CASH BALANCE  
 ANNUAL CONTRIBUTION CONTRACT  
PW - 1453

*Composition Before Adjustments*

Net operating receipts retained		
Operating reserves - Exhibit C	\$	224,051.07
Prior year imbalance		(20,393.70)
Cumulative donations		49,930.00
Deferred credits		237.00
Excess modernization funds - Exhibit E(1)		7,401.00
Current year imbalance - corrected 6-98		<u>(2,871.00)</u>
		298,357.37
<i>Adjustments:</i>		
Expenses/costs not paid		
Accounts payable		112,504.55
Income not received:		
Accounts receivable		<u>(49,036.32)</u>
General Fund Cash Available		229,223.65
General Fund Cash:		
Invested		(224,661.66)
Applied to deferred charges (prepaid insurance, inventories, etc.)		<u>(12,958.20)</u>
General Fund Cash - Exhibit A	\$	<u>91,603.72</u>

HOUSING AUTHORITY OF ST CHARLES PARISH  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 YEAR ENDED SEPTEMBER 30, 1997

FEDERAL GRANTOR PROGRAM TITLE	CFDA NO.	GRANT ID NO.	AWARD AMOUNT	PROGRAM EXPENDITURES
U.S. Department of Housing and Urban Development				
Direct Programs:				
Low-Income Housing				
Annual Contribution	14.850	FW- 1450	\$ 133,369.83	\$ 133,369.83
Operating Subsidy	14.850	FW- 1450	255,165.00	255,165.00
Major Program Total 1/			<u>388,534.83</u>	<u>388,534.83</u>
Section 8 Map -				
Existing	14.156	FW- 1450	770,617.00	770,617.00
Major Program Total			<u>770,617.00</u>	<u>770,617.00</u>
Section 8				
Voucher	14.177	FW- 2258	216,121.00	216,121.00
Major Program Total			<u>216,121.00</u>	<u>216,121.00</u>
Comprehensive				
Improvement				
Assistance Program				
Project 1994	14.852	FW- 1450	347,000.00	347,000.00
Project 1995	14.852	FW- 1450	212,454.97	212,454.97
Major Program Total			<u>559,454.97</u>	<u>559,454.97</u>
Total HUD			<u>\$ 1,934,747.80</u>	<u>\$ 1,934,747.80</u>

1/ The Department of Housing and Urban Development has guarantees through the Annual Contribution Contract of the Housing Authority of St. Charles Parish's bonded indebtedness. This bonded indebtedness was \$1,249,400.36 at September 30, 1997.

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OMB CONTROL NUMBER 1545-0047

**Report on Compliance with Requirements Applicable to Each  
Major Program and Internal Control Over Compliance in  
Accordance with OMB Circular A-133**

Housing Authority of  
St Charles Parish  
St Charles Parish, Louisiana

**Compliance**

We have audited the compliance of the Housing Authority of St Charles Parish, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and HUD Notice PIH 96-53 that are applicable to each of its major federal programs for the year ended September 30, 1997. The Housing Authority of St Charles Parish, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of St Charles Parish, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of St Charles Parish, Louisiana's compliance based on our audit.

We conducted our 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 A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and HUD Notice PIH 96-53. 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 the Housing Authority of St Charles Parish, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority of St Charles Parish, Louisiana's compliance with those requirements.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Housing Authority of St Charles Parish, Louisiana 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, 1997.

### Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Estes and Associates*

Fort Worth, Texas  
May 27, 1998

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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 Government Auditing Standards**

Housing Authority of  
St Charles Parish  
St Charles Parish, Louisiana

We have audited the financial statements of the Housing Authority of St Charles Parish, Louisiana as of and for the year ended September 30, 1997, and have issued our report thereon dated May 27, 1998. We conducted our audit in accordance with generally accepted auditing standards and the 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Housing Authority of St Charles Parish, Louisiana's financial statements are free of material misstatements, we 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 a 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 audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority of St Charles Parish, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide



assistance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 misstatements in 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Estes and Associates*

Fort Worth, Texas

May 27, 1998

HOUSING AUTHORITY OF ST. CHARLES PARISH

STATUS OF PRIOR AUDIT FINDINGS AND CURRENT AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 1997

We note that Leslie Jackson was appointed Executive Director on October 1, 1997.

Prior Audit Findings and Questioned Costs

The prior audit report contained one audit finding. It is reported as audit finding #1.

Current Audit Findings

1. At September 30, 1997, tenants' accounts receivable was \$16,287.40. This amount is considered excessive.

Recommendation

The outstanding list of vacated or otherwise delinquent accounts receivable should be reviewed by the Board of Commissioners and written off by board resolution. We note the PHA adopted a new rent collection policy on November 26, 1997. The PHA should continue to enforce this new improved policy. We note the PHA has a new collection agency.

Questioned Costs

Zero

Reply

See letter from the PHA.

2. A review of the status on May 26, 1998, of ten Section Eight tenant files revealed the following exceptions:

Of the ten files we reviewed:

- a. Seven did not have a lease signed by the owner and tenant.
- b. Six did not have a dated, complete inspection with pass or fail status noted.
- c. Nine did not have a recent rent reasonableness comparable test.
- d. Four did not have a recent verification of income.
- e. Five did not have 50059, Tenant Data Survey forms.
- f. Six did not have birth certifications at move-in.
- g. Four did not have copies of social security cards - at move-in certification.
- h. Six did not have current, signed lease addendum between tenant and owner.
- i. Eight did not have current signed HAP contract between owner and the PHA.
- j. Eight did not have proof of property ownership and proof that the landlord did not live in the program dwelling.

HOUSING AUTHORITY OF ST. CHARLES PARISH

STATUS OF PRIOR AUDIT FINDINGS AND CURRENT AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 1997

- k. Nine did not have evidence that the tenant had been informed of the "One Strike, You're Out" policy.
- l. Nine did not have evidence of landlord lead based paint certification.
- m. Five did not have current rent calculation worksheets.
- n. Six did not have a current police report on head of household and anyone age 18 & over at move-in certification.

We note that the PHA hired the consulting firm of Psychaud and Associates to review its Section Eight program and make recommendations. We have reviewed Psychaud & Associates' 1997 report. Psychaud also, after consultation with the PHA's Executive Director and the Section Eight staff, made written recommendations.

The PHA adopted new Section Eight Guidelines in April 1996, and obtained signatures of Section Eight personnel that they received a copy.

The same Section Eight personnel are still in place since the new guidelines were adopted. Most of the guidelines were already contained in the Administrative Plan. The PHA has sent Section Eight personnel to all available training and update seminars that seemed feasible.

Recommendations

The PHA should consider appointing a new person to be responsible for the Section Eight program.

Questioned Costs

Zero

Basics

See separate letter from the PHA.

3. The PHA did not have the documentation to supply the answers to PHMAP Component #2, a, f, g, or h. The Executive Director appeared knowledgeable about how to compute down time, make ready time, and lease up time.

Recommendations

The PHA needs to keep all documentation for PHMAP answers available for third party review.

Questioned Costs

Zero

Basics

See separate letter from the PHA.

HOUSING AUTHORITY OF ST. CHARLES PARISH

STATUS OF PRIOR AUDIT FINDINGS AND CURRENT AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 1997

4. The PHA has not taken a recent physical inventory of its ranges and refrigerators.

Recommendations

The PHA needs to take a physical inventory of its ranges and refrigerators and reconcile this to the property ledger.

We note the PHA enters the serial number of a new range or refrigerator to a tenancy file. Junked refrigerators and ranges are written off by board resolution. These are good procedures. But, a physical inventory still needs to be taken and reconciled to the property ledger.

Reply

See separate letter from the PHA.

5. We cannot find any Record of Employee Interviews, construction logs, or documentation that the PHA personnel checked the contractors' payrolls for compliance with Davis-Bacon. We reviewed payroll at random on May 26, and did not note any non-compliance with Davis-Bacon.

Recommendations

In the future, the Executive Director should periodically secure the data generated by the coordinator and/or inspector for third party review.

Reply

See separate letter from the PHA.

6. The PHA did not have its annual audit reports completed and delivered to the Legislative State Auditor in the six month period as required by Louisiana state law.

Recommendation

The PHA should timely obtain audit contracts and make sure the audit report is delivered timely.

Reply

See separate letter from the PHA.



ST. CHARLES PARISH  
HOUSING AUTHORITY

May 17, 1988

LEALA G. JACKSON  
Executive Director

Mr. Mike Eaton  
Eaton & Associates  
4200 Airport Freeway-Suite 100  
Forth Worth, Texas 76117

Dear Mr. Eaton:

In compliance to the recommendations made to the St. Charles Parish Housing Authority from the annual independent audit conducted by your firm for the Fiscal Year End (FYE) September 30, 1987, I submit the following:

Audit Finding #1.

We will comply with the recommendations. We will review the detailed list of outstanding tenants' accounts receivables at our next monthly board meeting.

Audit Finding #2.

We will comply with the recommendations. The Executive Director will submit a request to the Board of Commissioners to reallocate the positions in the Section 8 Department. This change will remove the Section 8 Manager II from his current position and place him under the direct supervision of the other Manager who will assume his duties and take over the responsibility of the department.

Also, the current Section 8 Managers' performance will be monitored on a daily basis and his work will be assigned.

Audit Finding #3.

We will keep all documentation in the future for P.E.M.A.P. We still are searching for the 1987 documentation and I'll send it to the auditor if I find it. I believe some of the information may have been thrown away by mistake for scratch paper.

Audit Finding #4.

We will take a physical inventory of our ranges and refrigerators and any other large purchases in the next few weeks and reconcile it to our property ledger.

Audit Finding #5.

The FBA did not hire a full time CIAP Coordinator. The previous Executive Director felt that she had enough experience and knowledge where she could act on her own as a CIAP Coordinator. After her resignation, the Manning Authority contracted out for a MOP Inspector who was only hired to monitor one large MOP Contract. Upon the completion of that contract, his job terminated.

In the future, if a CIAP Coordinator is hired we will timely secure, on a weekly basis, any future data generated by a CIAP Coordinator. We will, of course, monitor him to make sure he properly does his job.

Audit Finding #6.

We apologize that our audit was not performed timely. We are very respectful of the Legislative State Auditors' office and the important role it plays in our state.

In trying to adjust to my duties after I was appointed Executive Director on October 3, 1997, I did not think about this audit. If I had, I would have been on the phone immediately.

We will obtain timely audits in the future.

Respectfully yours,

  
Linda G. Jackson  
Executive Director