

OFFICIAL
FILM COPY

DO NOT SIGN OUT

When receiving
copies from this
copy and paste
BACK IN PLACE

98001083
4098

**Housing Authority of St. James Parish
Lutcher, Louisiana**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the recipient, as requested, and/or other appropriate public officials. The report is available for public inspection at the Mayor's office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

APR 28 1998

Release Date _____

Financial Statements and Supplemental Financial Information
Year Ended September 30, 1998

with

Reports of Certified Public Accountants
on Financial and Compliance Examination

VanPhoelen & Miller, Ltd.
Certified Public Accountants
1309 East Race Avenue
Bossier, Louisiana 71110

TABLE OF CONTENTS

	PAGE
Financial Section	3
Independent Auditors' Report	4
General Purpose Financial Statements	5
Combined Balance Sheet - All Fund Types and Account Groups	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	8
Notes to the Financial Statements	9
Combining Statements	14
Combining Balance Sheet - All Special Revenue Funds	15
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Special Revenue Funds	16
Supplemental Financial Information - Federal Awards	17
Schedule of Expenditures of Federal Awards	18
Supplemental Financial Information - Statutory Basis	19
Balance Sheet - Statutory Basis	20
Statement of Income and Expenses - Statutory Basis - Owned Housing Program	21
Analysis of Surplus - Statutory Basis	22
Computation of Residual Receipts and Allocating Annual Contributions - Owned Housing Program	23
Schedule of Mediation Costs	24
Schedule of PROEP Costs	25
Analysis of General Fund Cash Balance	26
Adjusting Journal Entries	27
Non-Financial Section	28
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose and Combining Financial Statements Performed in Accordance with Government Auditing Standards	29
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	30
Schedule of Findings and Questioned Costs	31
Summary Schedule of Prior Audit Findings	32

ERRATA SECTION

•
•
•
•

Independent Auditors' Report

Board of Commissioners
Housing Authority of St. James Parish
2027 King Avenue
Lafayette, LA 70501

We were engaged to audit the accompanying general purpose and combining financial statements of Housing Authority of St. James Parish as of September 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose and combining financial statements, supplemental financial information-federal awards and the supplemental financial information - statutory basis referred to below, are the responsibility of the authority's management.

As described more fully in the Schedule of Findings and Questioned Costs, we were unable to verify certain material account balances and documentation needed to properly conduct the audit was not available nor were we able to satisfy ourselves as to these financial activities by other auditing procedures.

Since we were unable to apply other auditing procedures to satisfy ourselves about the account balances and unavailability documentation, as described in the previous paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the general purpose and combining financial statements referred to in the first paragraph.

We were engaged to audit the general purpose and combining financial statements of Housing Authority of St. James Parish. The accompanying supplemental financial information-Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and it is not a required part of the general purpose and combining financial statements, as described in Note 1, the accompanying supplemental financial information - Statutory Basis was prepared in conformity with the accounting practices prescribed by the U.S. Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. As noted in the above paragraphs, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the Supplemental Financial Information - Federal Awards or the Supplemental Financial Information-Statutory Basis.

February 23, 1999


Van Rheeunen & Miller, Ltd.
Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS

Issuing Authority of the James Parish
Lafayette, Louisiana

Consolidated Balance Sheet - All Fund Types and Account Groups
September 30, 1999

	Governmental Fund Types		Account Groups		Minor Totals 1999
	Special Revenues	Debt Service	General Fund Assets	General Long-Term Debt	
Assets and Other Debits					
Assets:					
Cash:					
Cash	\$ 111,208.85	\$ -	\$ -	\$ -	\$ 111,208.85
Accounts	8,874.85	-	-	-	8,874.85
Other governments	38,582.28	204,008.11	-	-	242,590.39
Due from other funds	10,582.28	-	-	-	10,582.28
Prepaid items	13,340.84	-	-	-	13,340.84
Cash	-	4,805.83	-	-	4,805.83
Fixed assets	-	-	10,040,808.78	-	10,040,808.78
Other debts:					
Amount available to build sewer/fund	-	-	-	268,800.00	268,800.00
Amount to be provided for retirement of general long term debt	-	-	-	1,056,047.68	1,056,047.68
Total Assets and Other Debits	\$ 204,187.84	\$ 208,813.94	\$ 10,040,808.78	\$ 2,212,847.68	\$ 12,885,857.02
Liabilities, Equity and Other Credits					
Liabilities:					
Fiduciary obligations and amount	\$ 1,890.00	\$ -	\$ -	\$ -	\$ 1,890.00
Security deposits	18,808.00	-	-	-	18,808.00
Due to other funds	20,082.28	-	-	-	20,082.28
Fixed liabilities	-	-	-	2,212,847.68	2,212,847.68
Total liabilities	40,780.28	-	-	2,212,847.68	2,254,325.96
Equity and Other Credits:					
Investment in general fund assets	-	-	10,040,808.78	-	10,040,808.78
Fund balances:					
Reserved for debt service	-	208,813.94	-	-	208,813.94
Reserved for projects	13,240.84	-	-	-	13,240.84
Unreserved, undesignated	128,877.85	-	-	-	128,877.85
Total Equity and Other Credits	141,958.89	208,813.94	10,040,808.78	-	14,289,820.61
Total Liabilities, Equity and Other Credits	\$ 204,187.84	\$ 208,813.94	\$ 10,040,808.78	\$ 2,212,847.68	\$ 12,885,857.02

The accompanying notes are an integral part of the financial statements.

Housing Authority of St. James Parish
Lafayette, Louisiana

**Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended September 30, 1999**

	Governmental Fund Types			None Type Fund
	Special Revenue	Debt Service	Capital Projects	
Revenues				
Rents	\$ 173,650.00	\$ -	\$ -	\$ 173,650.00
Charges for services	17,360.00	-	-	17,360.00
Operational expenditures	660,000.88	(269,008.17)	(608,887.00)	1,111,645.88
Interest	2,000.00	-	-	2,000.00
Miscellaneous	84,500.00	-	-	84,500.00
Total Revenues	<u>847,510.00</u>	<u>(269,008.17)</u>	<u>(608,887.00)</u>	<u>1,430,075.88</u>
Expenditures				
Current				
Housing operations	763,000.00	-	-	763,000.00
Capital outlay	60,604.04	-	(606,667.00)	(37,041.96)
Debt service	-	193,910.40	-	193,910.40
Interest	-	173,000.00	-	173,000.00
Total Expenditures	<u>823,604.04</u>	<u>(366,910.40)</u>	<u>(606,667.00)</u>	<u>1,419,081.32</u>
Excess of Revenues over (under) Expenditures	(23,094.04)	30.00	-	(4,983.00)
Fund balances, beginning of period	<u>154,800.88</u>	<u>208,880.00</u>	<u>-</u>	<u>413,721.88</u>
Fund balances, end of period	<u>\$ 141,706.84</u>	<u>\$ 208,910.00</u>	<u>\$ -</u>	<u>\$ 408,736.84</u>

The accompanying notes are an integral part of the financial statements.

Housing Authority of St. James Parish
Lafayette, Louisiana

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - All Governmental Fund Types
Year Ended September 30, 1999**

	Special Revenue Funds		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Rents	\$ 560,800.00	\$ 472,018.00	\$ (88,782.00)
Charges for services	1,200.00	17,388.00	16,188.00
Operational subsidies/grants	880,824.00	588,024.00	-
Interest	8,800.00	3,668.00	(5,132.00)
Miscellaneous	54,155.00	54,769.00	-
Total Revenues	<u>1,502,779.00</u>	<u>1,135,867.00</u>	<u>(366,912.00)</u>
Expenditures			
Current			
Administrative salaries	84,000.00	78,781.08	5,218.92
Professional fees	28,000.00	47,881.58	(19,881.58)
Taxes	39,000.00	30,288.18	8,711.82
Utility administration	17,000.00	81,853.74	(64,853.74)
Tenant services	88,764.00	86,576.00	2,188.00
Utilities	55,870.00	52,876.00	3,004.00
Maintenance salaries	108,800.00	174,088.00	(65,288.00)
Maintenance materials	88,000.00	88,871.11	(971.11)
Other maintenance costs	50,000.00	77,204.64	(27,204.64)
Insurance	103,480.00	128,880.00	(25,400.00)
PLO/OT	10,280.00	10,004.00	2,276.00
Employee benefits	83,200.00	88,335.00	(5,135.00)
Tenant lease	-	0.00	-
Capital expenditures	58,004.00	58,184.84	(180.84)
Total Expenditures	<u>781,684.00</u>	<u>852,581.21</u>	<u>(70,897.21)</u>
Excess of revenues over (under) Expenditures	<u>\$ 721,095.00</u>	<u>(71,714.21)</u>	<u>\$ (79,629.21)</u>
Fund balances, beginning of period		<u>104,828.00</u>	
Fund balance, end of period		<u>\$ 125,113.79</u>	

The accompanying notes are an integral part of the financial statements.

Housing Authority of St. James Parish
Lafayette, Louisiana

Notes to the Financial Statements
September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Corporation.** The entity is chartered as a public corporation for the purpose of administering housing programs for low-income families.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has contracted with the entity to administer certain HUD funds.

- B. Financial reporting.** The financial reporting policies of the entity conform to generally accepted accounting principles.

Specific accounting policies. The following is a summary of significant accounting policies:

- 1. Financial reporting entity.** The entity is a public corporation, legally separate and fiscally independent. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of Housing Authority of St. James Parish, a primary government. There are no component units to be included herewith, but this report does include all funds, account groups, and programs which are controlled by the entity's governing body.
- 2. Fund accounting.** The accounts of the entity are organized on the basis of funds or account groups, each of which is considered to be a separate accounting unit. The operations of each fund are reported as a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one general fund type (Governmental) and the following broad fund categories:

Governmental Fund Types

Special-revenue fund - The special-revenue funds are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

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

Capital projects fund - The capital projects fund is used to account for financial resources to be used for the acquisition, construction, and major renovation of major capital facilities. Special reporting treatment is also applied to governmental funds whose prepaid items are present to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are offset by fund balance reserve accounts.

- 3. Fixed assets and long-term liabilities.** The accounting and reporting treatment applied to fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present revenues (expenses and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period.

Housing Authority of St. James Parish
Lafayette, Louisiana

Notes to the Financial Statements (Continued)
September 30, 1999

Fixed assets used in governmental fund type operations are accounted for in the General Fund Assets Account Group. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated assets are valued at their estimated fair value on the date provided. The entity does not capitalize any "infrastructure" assets (streets, curbs, sidewalks, drainage systems, and similar assets that are inseparable) which are paid for by the entity. During project development, indirect expenditures were capitalized under prior HUD financing arrangements. Post-1990 capital projects are being financed by grants from HUD. Consequently, there are no indirect expenditures by capitalization. Subsequent to financial developments, indirect expenditures are not accrued but are recorded when paid.

Long-term liabilities reported to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group. Expenditures related to such debt are reflected in the Debt Service Fund.

The two above-named account groups are not "funds". They are concerned only with the maintenance of financial position. They are not involved with the measurement of results of operations.

4. **Basis of accounting.** All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All significant revenue sources are susceptible to accrual.

Expenditures in governmental fund types are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation and sick pay which are not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

Vested and earned vacation and sick leave that are not accrued have not been reported in these financial statements. Information to compute this amount is unavailable.

The entity does not utilize encumbrance accounting.

5. **Supplemental financial information - statutory basis.** The supplemental financial information - statutory basis has been prepared in conformity with the accounting practices prescribed by HUD, which differ from generally accepted accounting principles as follows:
- Governmental fund accounting principles are not utilized.
 - Accounts receivable are stated without an allowance for doubtful accounts. Accounts are written off as collection losses only after the tenant has vacated the unit and the entity has taken reasonable actions to collect.
 - Annual Contributions and subsidies earned and/or received from HUD are recorded as contributions to surplus and are not included in the Statement of Income and Expenses.
 - Items of routinely recurring expenses are recognized when paid and are therefore not accrued.
 - Premiums and/or discounts on bonds are recognized as income or expense in the year bonds are sold.
 - The cost of accumulated unpaid vacation and sick leave is not accrued.
 - Financial statement forecasts vary from GAAP.
 - Expenditures under HUD's Public Housing Drug Elimination Program (PHOEP) are recorded on a project-by basis. Upon fulfillment of the grant agreement, noncapitalized expenditures are closed into surplus.
 - The entity does not utilize encumbrance accounting.

Housing Authority of St. James Parish
Lusher, Louisiana

Notes to the Financial Statements (Continued)
September 30, 1998

- l. Expenditures under HUD's Comprehensive Improvement Assistance Program (CIAP) and Comprehensive Grant Program (CGP) and similar focussular programs are fully capitalized, notwithstanding the fact that expenditures are normally in nature of repairs, replacements and improvements. Consequently, some amounts represented as Fixed Assets may include costs substantially in excess of value.
- k. During project development, interest expenditures are capitalized under pre-1987 financing agreements. Post-1986 capital projects are being financed by grants from HUD. Consequently, there are no interest expenditures to capitalize. Subsequent to completion of Pre-1987 financed developments, interest expenditures are not accrued but are recognized when paid.
- l. Total columns on combined statements. Total columns on the combined statements are captioned Memo Totals 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. Neither is such data comparable to a consolidation. Interfund information have not been included in the aggregates of this data.
- C. Budget. The entity follows these procedures in establishing the budgetary data reflected in the financial statements:
 1. The entity prepares annual budgets for each fund (Debt Service Fund and the Capital Projects Fund). Prior to the beginning of each budget year, the entity's annual budget is approved by the entity's governing body. Budgetary assignments require approval by the governing body. Budget amounts shown in the financial statements are based on financial statements prepared by the Authority's accountant. All budgetary appropriations lapse at the end of each fiscal year. Budget for the Public Housing Drug Elimination Program are prepared on a project-life basis. Budget amounts in these financial statements are a pre-stated amount based on the length of the grant.
 2. Budgets for the Capital Projects Fund are prepared on a project-life basis rather than on an annual basis and, therefore, have been omitted from the accompanying financial statements.
 3. Budgets for the Debt Service Fund are not prepared inasmuch as all revenues and expenditures of the fund are controlled by and processed by HUD. The entity records Debt Service Fund transactions from documents supplied by HUD.
- D. Income taxes. The entity is not subject to federal or state income taxes.
- E. Cash and cash equivalents. The entity defines cash to include certificates of deposit, money market funds, savings accounts, and demand deposits, and other short-term securities with maturities of three months or less. Consequently, the cost, carrying value, and market value are equivalent.

NOTE 2 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever 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, 1998. The categories are described as follows:

Housing Authority of St. James Parish
Lafayette, Louisiana

Notes to the Financial Statements (Continued)
September 30, 1998

- 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.

Cash Deposits, categorized by level of risk, are:

Total Bank Balances	Category		
	1	2	3
\$ 122,084.75	\$ 102,181.00	\$.00	\$ 20,000.75

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule as of September 30, 1998 represents interfund receivables and payables:

Fund Type	Interfund Receivables	Interfund Payables
Special Revenue		
Owned Housing	\$ 35,943.20	\$.00
PHEOP Housing	.00	\$ 35,943.20
Total	\$ 35,943.20	\$ 35,943.20

NOTE 4 - FIXED ASSETS

Changes in fixed assets are as follows:

	Beg. of Period	Additions	Deletions	End of Period
Land, structures & Equipment:	\$ 7,729,488.89	\$ 68,184.84	\$.00	\$ 7,797,673.73
Const. in progress:	1,817,370.83	228,857.83	.00	2,046,227.66
Total	\$ 9,546,859.72	\$ 297,042.67	\$.00	\$ 9,843,902.39

Construction in progress is composed of expenditures related to major renovation of certain buildings owned by the entity, said renovation to be fully financed by grants from HUD.

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

NOTE 5 - FIXED LIABILITIES

Fixed liabilities consist of the following:

	Interest Rate	Principal Balance
FTD note dated September 1, 1993	5.00%	\$ 28,982.94
Bonds payable, August 1, 1999 series	5.00%	1,758,850.61
Bonds payable, August 1, 1971 series	5.25%	338,930.92
Bonds payable, August 1, 1971 series	5.25%	865,187.31
Total		\$ 2,212,942.48

Housing Authority of St. James Parish
Lusher, Louisiana

Notes to the Financial Statements (Continued)
September 30, 1998

HUD notes payable were held and guaranteed by HUD. Under provisions of the Federal Debt Forgiveness Act of 1986, these notes and accrued interest on these notes were to be forgiven by HUD during the current year.

The Federal Financing Bank note is payable in annual installments of \$17,544.43, including principal and interest. All annual installments in maturity are payable by HUD. The note matures November 1, 2005.

The bonds mature in series annually in varying amounts with the final maturity date in 2012. All required debt service to maturity on the bonds, including principal and interest, is payable by HUD under a debt service contract with the city.

Changes in fixed liabilities are as follows:

	FFB Notes	Bonds
Balance, beginning of period	\$ 72,708.30	\$ 2,275,191.96
Principal retirement	(12,245.69)	(120,898.74)
Balance, end of period	<u>\$ 60,462.61</u>	<u>\$ 2,154,293.22</u>

Scheduled maturities of fixed liabilities are as follows:

	FFB Notes	Bonds	Interest	Total
Within first year	\$ 13,668.80	\$ 126,318.18	\$ 134,708.48	\$ 269,026.64
Within second year	14,493.83	133,899.00	148,797.28	294,138.83
Within third year	15,413.78	139,488.08	155,059.95	309,960.21
Within fourth year	16,458.33	146,468.72	162,894.18	329,842.20
Within fifth year	00	154,643.98	162,333.43	316,977.81
Thereafter	00	1,453,751.38	344,891.21	1,798,642.57

NOTE 6 - CONTINGENCIES

The entity is subject to possible examinations made 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 refunds by the entity to federal grantors under program beneficiaries.

NOTE 7 - LAWSUITS

On October 8, 1998, the PHA settled a lawsuit resulting from an accident on the Housing Authority property on February 12, 1998. The amount of the settlement, \$45,000.00, will be paid by the insurance company of the PHA.

NOTE 8 - YEAR 2000 ISSUE

The PHA is currently working to resolve the potential impact of the year 2000 (Y2K) on the processing of dependent information by the computerized information systems being utilized. The Y2K issue is the result of computer programs being written using two digits (rather than four) to define a year. This could result in miscalculations or system failures. The estimated costs to reach compliance is not expected to have a material effect on the PHA's financial operations.

COMBINING STATEMENTS

Housing Authority of St. James Parish
Lafayette, Louisiana

Combining Balance Sheet - All Special Revenue Funds
September 30, 1998

	Debt Housing FVW-2807	FHCFP FVW-2807	Total
Assets and Other Debits			
Assets			
Cash	\$ 111,028.48	\$ -	\$ 111,028.48
Receivables:			
Accounts	8,873.86	-	8,873.86
Other governments	-	35,862.28	35,862.28
Due from other funds	35,862.20	-	35,862.20
Prepaid items	13,343.84	-	13,343.84
Total Assets and Other Debits	\$ 189,818.44	\$ 35,862.28	\$ 224,181.64
Liabilities, Equity, and Other Credits			
Liabilities			
Accounts payable:			
Payroll taxes withheld and accrued	\$ 1,990.58	\$ -	\$ 1,990.58
Security deposits	18,808.08	-	18,808.08
Due to other funds	-	35,862.28	35,862.28
Total Liabilities	18,798.66	35,862.28	54,660.94
Equity and Other Credits			
Fund balances:			
Reserved for prepaids	13,343.84	-	13,343.84
Unreserved, undesignated	138,477.28	-	138,477.28
Total Equity and Other Credits	149,820.88	-	149,820.88
Total Liabilities, Equity and Other Credits	\$ 168,619.44	\$ 35,562.20	\$ 204,181.64

The accompanying notes are an integral part of the financial statements.

**Housing Authority of St. James Parish
Lafayette, Louisiana**

**Combining Statement of Revenue, Expenditures, and Changes in Fund Balances -
All Special Revenue Funds
Year Ended September 30, 1998**

	Current Housing FY-2007	FY-2007	Total
Revenues:			
Fees	\$ 173,616.30	-	173,616.30
Charges for services	17,366.30	-	17,366.30
Operational subventions	523,266.00	65,786.85	589,052.85
Interest	2,968.83	-	2,968.83
Miscellaneous	84,189.87	-	84,189.87
Total Revenues	<u>781,367.30</u>	<u>65,786.85</u>	<u>847,154.15</u>
Expenditures			
Control:			
Administrative salaries	70,151.00	-	70,151.00
Professional fees	17,821.50	-	17,821.50
Taxes	15,286.70	-	15,286.70
Security administration	61,053.34	-	61,053.34
Tenant services	601.95	65,786.85	66,388.80
Utilities	52,975.84	-	52,975.84
Maintenance salaries	174,899.82	-	174,899.82
Maintenance materials	54,871.11	-	54,871.11
Other maintenance costs	77,234.87	-	77,234.87
Insurance	120,892.88	-	120,892.88
PILOT	12,064.80	-	12,064.80
Employee benefits	49,378.66	-	49,378.66
Terminal leave	3,819.27	-	3,819.27
Capital Expenditures	88,184.84	-	88,184.84
Total Expenditures	<u>786,382.36</u>	<u>65,786.85</u>	<u>852,169.21</u>
Excess of Revenues (and/or) Expenditures	<u>(5,015.06)</u>	<u>-</u>	<u>(5,015.06)</u>
Fund Balance, beginning of period	<u>154,839.84</u>	<u>-</u>	<u>154,839.84</u>
Fund Balance, end of period	<u>\$ 149,824.78</u>	<u>\$ -</u>	<u>\$ 149,824.78</u>

The accompanying notes are an integral part of the financial statements.

SUPPLEMENTAL FINANCIAL INFORMATION - FEDERAL AWARD:

Hoisington Authority of the James Parish
Louisiana Corporation

Schedule of Expenditures of Federal Awards
For 2020 (September 30, 2021)

Federal Award/Program Title	Fund or Identifier	Federal ID/FA Number	Current Year Program or Award Amount	Balance Expended/Total - Cash Resources (Payments)	Cost Methods or Reversion Reapportion	Grant Reimbursements Expended	Balance Due of Year Cash Resources (Payments)
LA01 Department of Housing and Urban Development							
Grant Programs:							
Public Housing Housing	FY 2020	14280	\$11,754.00	\$	111,204.00	\$11,754.00	\$
Public Housing Drug Elimination Program	FY 2020	14284	-	\$5,895.91	\$5,588.91	\$5,754.00	\$5,588.91
Comprehensive Grant	FY 2020	14286	-	\$5,389.00	\$5,467.51	\$5,811.32	-
Total HUD (LA Grant Total)			\$11,754.00	\$11,284.91	\$122,259.41	\$13,319.32	\$11,588.91

See Note 10 Financial Statements for a discussion of accounting principles applicable to statements.

See Note 11 Financial Statements.

SUPPLEMENTAL FINANCIAL INFORMATION - STATUTORY BASIS

Housing Authority of St. James Parish
Lafayette, Louisiana

Balance Sheet - Statutory Basis
September 30, 1999

Annual Contributions Contract PW-2007

Assets

Cash-checking and on hand	\$ 441,858.45
Accounts receivable-demands	8,873.86
Prepaid insurance	19,348.84
Debt amortization funds	258,338.00
Public housing drug elimination program	480,197.23
Fixed assets	<u>76,273,868.79</u>
Total Assets	<u>\$ 78,036,483.77</u>

Liabilities and Equity

Tenants security deposits	\$ 18,888.00
Accrued and withheld payroll taxes	1,880.58
Fixed liabilities	<u>2,793,947.46</u>
Total liabilities	2,813,716.04
Equity	<u>8,007,247.74</u>
Total Liabilities And Equity	<u>\$ 10,820,963.78</u>

Housing Authority of St. James Parish
Lafayette, Louisiana

Statement of Income and Expenses - Statutory Basis
United Housing Program
Year Ended September 30, 1998

Annual Contributions Contract FWA-0087

Operating income	
Dwelling rental	\$ 173,616.38
Interest on general fund investments	2,980.00
Other income	<u>10,086.38</u>
Total operating income	<u>186,682.76</u>
Operating Expenses	
Administration	172,180.00
Tenant services	5871.18
Utilities	52,070.94
Ordinary maintenance and operations	308,504.17
Capital repairs	188,843.90
Nonrecording maintenance	<u>(308.37)</u>
Total operating expenses	<u>1,164,488.56</u>
Net operating income (loss) before other items	<u>(977,805.80)</u>
Other charges (credits)	
Interest expense	121,081.58
Prior year adjustments affecting residual receipts	(54,188.97)
Prior year adjustments not affecting residual receipts	114,808.88
Loss from disposition of equipment	<u>(1,281.12)</u>
Total other charges (credits)	<u>179,599.37</u>
Net Income (Loss)	<u>\$ (804,206.43)</u>

Hoarding Authority of St. James Parish
Lafayette, Louisiana

Analysis of Surplus - Statutory Basis
September 30, 1998

Annual Contributions Certified FYB-1997

Unreserved surplus	
Balance per 9-30-97 audit	\$ (10,583,974.47)
From audit AICs subsequently booked	121,789.42
Net income (loss) FYB 9-30-98	(884,808.47)
CR provision FYB 9-30-98	<u>1,893.52</u>
Balance at 9-30-98	<u>(10,854,898.00)</u>
Reserved Surplus	
Balance per 9-30-97 audit	184,508.84
CR provision FYB 9-30-98	<u>1,893.87</u>
Balance at 9-30-98	<u>186,402.71</u>
Cumulative contributions from HUD	
Balance per 9-30-97 audit	95,021,508.44
Contributions FYB 9-30-98	264,028.11
Operating subsidy FYB 9-30-98	<u>503,258.00</u>
Balance at 9-30-98	<u>95,788,794.55</u>
Grants from HUD	
Balance per 9-30-97 audit	2,283,672.88
Grants FYB 9-30-98	288,447.00
HUD P subsidy FYB 9-30-98	<u>88,883.87</u>
Balance at 9-30-98	<u>2,661,003.75</u>
Total Surplus	<u>\$ 6,876,347.78</u>

Housing Authority of St. James Parish
Lafayette, Louisiana

Computation of Residual Receipts and Accruing Annual Contributions
United Housing Program
Year Ended September 30, 1968

Annual Contributions Contract PHA-0087

Computation of Residual Receipts	
Operating receipts	
Operating income	\$ 190,507.29
HUD operating subsidy	820,298.09
Prior year adjustments affecting residual receipts	<u>94,198.92</u>
Total operating receipts	<u>1,104,904.30</u>
Operating expenditures	
Operating expenses	718,187.29
Capital expenditures	<u>68,384.58</u>
Total operating expenditures	<u>786,571.87</u>
Residual receipts before provision for reserve, per audit	1,018,332.43
Audit adjustments booked out	<u>9,898.92</u>
Residual Receipts before provision for reserve, per PHA	1,028,231.35
Provision for operating reserve	<u>(1,804.87)</u>
Residual receipts per PHA	\$ <u>1,026,426.48</u>
Computation of Accruing Annual Contributions	
Fixed annual contributions*	\$ 257,408.28
Less interest savings	<u>(3,289.19)</u>
Total annual contribution accrued	254,119.09
Less amount available for reduction of annual contribution - Residual Receipts above	<u>9,692.61</u>
Accruing annual contribution	\$ <u>244,426.48</u>
Debt Forgiveness	
Current debt forgiveness by HUD	\$ <u> </u>

* Subject to adjustment by HUD.

Boaring Authority of St. James Parish
Lafayette, Louisiana

Schedule of PHEEP Costs
September 30, 1998

Annual Contributions Contract PFA-2087

	<u>Total</u>
Funds advanced	\$ 405,615.50
Funds expended	<u>405,167.13</u>
Excess (deficiency) of funds advanced	<u>\$ (448.37)</u>

Housing Authority of St. James Parish
Lafayette, Louisiana

Analysis of General Fund Cash Balance
September 30, 1999

Annual Contributions Contract FW-302T

Assets, net of Other Items

Cash/checking and on hand	\$	111,028.49
Adjustment for FHECP funding		25,992.29
Accounts receivable-tenants		8,873.08
Prepaid accounts		<u>12,282.89</u>
Total	\$	<u>158,176.75</u>

Liabilities, Reserves, net of Other Items

Tenants' security deposits	\$	10,800.00
Accrued and withheld payroll taxes		1,890.95
Operating reserve per FFA		189,871.41
Adjustments affecting Operating Reserve (posted out)		<u>25,850.50</u>
Total	\$	<u>338,412.91</u>

Housing Authority of St. James Parish
Lafayette, Louisiana

Central Housing Program

Adjusting Journal Entries
September 30, 1998

Annual Contributions, Contract PW-2007

	Acct. # for audit report	Acct. # for posting by P&A	Debit	Credit
(1)				
Permanent FFD Notes	2312	2312	\$ 12,000.00	
Bonds Retired	2342	2342	128,188.71	
Debt Service Fund	1171	1171		813.78
Prior year adj. not all R/R	8020	8020	121,789.42	
Cumulative HUD Ann. Contr.	2848	2848		204,029.11
To record prior audit adjustments not recorded by the P&A.				
(2)				
Cumulative HUD Ann. Contr.	2848	2848		204,029.11
Permanent FFD Notes	2312	2312	12,749.88	
Interest Expense	8810	8810	121,887.88	
Bonds Retired	2342	2342	120,988.74	
Debt Service Fund	1171	1171		38.01
To record debt activity for the fiscal year ending September 30, 1998.				
(3)				
Prior yr. adj. all R/R	8020	8010T	6,858.53	
Prior yr. adj. not all R/R	8020	8020C		6,858.53
To reconcile the balance sheet analysis.				

NON-FINANCIAL SECTION

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose and Combining Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners

Housing Authority of St. James Parish
2627 King Avenue
Lusher, LA 70071

We were engaged to audit the general purpose and combining financial statements of Housing Authority of St. James Parish, as of and for the year ended December 30, 1998 in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Our report dated February 23, 1999 stated that, because we were unable to satisfy ourselves concerning certain material account balances and documentation needed to properly conduct the audit were unavailable, the scope of our work was not sufficient to enable us to express, and we did not express, an opinion on the general purpose and combining financial statements.

Compliance

As part of obtaining reasonable assurance about whether Housing Authority of St. James Parish's general purpose and combining financial statements are free of material misstatement, 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 an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as Items 98-8, 98-9, 98-10, 98-11, and 98-12.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Housing Authority of St. James Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose and combining financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we considered to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Housing Authority of St. James Parish's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Items 98-8, 98-9, 98-10, 98-11, and 98-12.

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. Our consideration of the internal control over financial reporting 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, we consider Items 98-8, 98-9, 98-10, 98-11, and 98-12 to be material weaknesses.

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


C. Mark Hoffmann, CPA
Thomas E. Miller, L., CPA
Certified Public Accountants

February 23, 1999

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 St. James Parish
2627 King Avenue
Lafayette, LA 70501

Compliance

We have audited the compliance of Housing Authority of St. James Parish 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, 1998. Housing Authority of St. James Parish'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 authority's management. Our responsibility is to express an opinion on Housing Authority of St. James Parish'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, *Audit of States, Local Governments, and Non-Profit Organizations*. These 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 Housing Authority of St. James Parish'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 Housing Authority of St. James Parish's compliance with those requirements.

As described in items 90-1, 90-2, 90-3, 90-4, 90-5, 90-6 and 90-7 in the accompanying schedule of findings and questioned costs, Housing Authority of St. James Parish did not comply with requirements regarding Allowable Costs/Cost Principles, Eligibility, and Equipment and Real Property Management that are applicable to its Public and Intra-Housing Program. Compliance with such requirements is necessary, in our opinion, for Housing Authority of St. James Parish to comply with requirements applicable to that program.

In our opinion, because of the effects of the noncompliance described in the preceding paragraph, Housing Authority of St. James Parish did not comply in all material respects, with the requirements referred to above that are applicable to Public and Intra-Housing Program and Comprehensive Grant Program.

Internal Control Over Compliance

The management of Housing Authority of St. James Parish is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to its federal programs. In planning and performing our audit, we considered Housing Authority of St. James Parish'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.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Housing Authority of St. James Parish'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 98-1, 98-2, 98-3, 98-4, 98-5, 98-6 and 98-7.

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. Our 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 we also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 98-1, 98-2, 98-3, 98-4, 98-5, 98-6 and 98-7 to be material weaknesses.

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


Mark A. Miller, CPA
Certified Public Accountant

February 23, 1999

Housing Authority of St. James Parish
Schedule of Findings and Computed Costs
Year Ended September 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report declines an opinion on the general purpose and combining financial statements of Housing Authority of St. James Parish.
2. Five reportable conditions disclosed during the audit of the general purpose and combining financial statements are reported in the Internal Control Over Financial Reporting Based on an Audit of General Purpose and Combining Financial Statements Performed in Accordance with Government Auditing Standards. All of the conditions are reported as material weaknesses.
3. Instances of noncompliance material to the general purpose and combining financial statements of Housing Authority of St. James Parish were disclosed during this audit.
4. Seven reportable condition(s) disclosed during the audit of the major federal award programs are in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. We determined findings 99-1, 99-2, 99-3, 99-4, 99-5, 99-6 and 99-7 to be material weaknesses.
5. The auditors' report on compliance for the major federal award programs for the Housing Authority of St. James Parish expresses an adverse opinion related to findings 99-1, 99-2, 99-3, 99-4, 99-5, 99-6 and 99-7.
6. Audit findings relative to the major federal award programs for Housing Authority of St. James Parish are reported in Part C. of this Schedule.
7. The programs listed as major programs included: Public and Indian Housing, CPDA #14,858-Public and Indian Housing-Comprehensive Grant Program, CPDA #14,859.
8. The threshold for distinguishing Types A and B programs was \$300,000.00.
9. Housing Authority of St. James Parish was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

- | | |
|-------|---|
| 99-8 | Tenant Accounting - See Finding 99-2 under Part C of this Schedule. |
| 99-9 | Annual Physical Inventory - See Finding 99-3 under Part C of this Schedule. |
| 99-10 | Undocumented Expenditures - See Finding 99-6 under Part C of this Schedule. |
| 99-11 | Budget Overruns - See Finding 99-7 under Part C of this Schedule. |
| 99-12 | Tenant Files - See Finding 99-4 under Part C of this Schedule. |

Housing Authority of St. James Parish
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 1998

Questioned
Costs
00

0. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

08-1 TENANT'S ACCOUNTS RECEIVABLE

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - OFDWH4.850

Condition and Criteria: The PHA's balance in tenant's accounts receivable exceeds the maximum recommended by HUD. At September 30, 1998, the PHA's accounts receivable balance is \$13,815.00. This is approximately 80% of the average monthly rental charges. HUD recommends that this balance should be within 10% of the average monthly rental charges. This is a repeat finding from the prior audit.

Effect: The PHA's tenant accounts receivable balances are in excess of HUD recommended amounts.

Cause: The PHA's collection policy is apparently not being followed.

Auditor's Recommendation: The PHA should strive to reduce its accounts receivable to an acceptable level.

Grantee Response: We have reduced our accounts receivable since last year. We are making progress in this area by utilizing aggressive lease enforcement. We also have become members of the Credit Bureau located in Baton Rouge. We have developed Bad Debt Testing for all residents who move out using the PHA.

If a resident has a debt and works with the PHA a repayment agreement can be signed. In this way the PHA retains the resident stabilizing occupancy rates, and recoups the money due without incurring further late charges to the resident.

08-2 TENANT ACCOUNTING

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - OFDWH4.850

20

Condition and Criteria: The PHA's tenant accounting records do not agree with the general ledger. At September 30, 1998, the general ledger indicates a balance of tenants accounts receivable of \$8,813.00. The rental register indicates a balance of \$13,815.00. The tenants' security deposit records are incomplete. These items are repeated from the prior audit.

Effect: The amounts reflected as tenants accounts receivable and security deposits may not be correct as reported by the PHA.

Cause: The PHA did not have an adequate internal control system in place for most of the audit period.

Auditor's Recommendation: The PHA should implement a system to ensure that all balances are recorded properly.

Grantee's Response: We have revised our tenant accounting procedures. We will ensure that all items are properly recorded. If a tenant has maintenance charges, the bill for charges will be given to the resident, place a copy in the file, a copy in the unit file in the maintenance department, and a copy in the accounting department. The accounting personnel are being trained according to GAAP/FRS/IFRS/IFMFP as stipulated in the OFDWH4 and the Memorandum of Agreement.

Housing Authority of St. James Parish
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 1998

85-310 PHYSICAL INVENTORY OF FIXED ASSETS AND MAINTENANCE MATERIALS

Questioned
Costs
\$0

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - CFDA#14.850

Condition and Criteria: The PHA does not have an annual physical inventory that agrees with its general ledger. The PHA should conduct an annual inventory of fixed assets and maintenance materials on an annual basis. This finding has been repeated from the prior audit.

Effect: Amounts reported as fixed assets may not be reported correctly. The PHA may also have inventories of maintenance materials that are not being reported.

Cause: The PHA does not prepare an annual inventory.

Auditor's Recommendation: The PHA should conduct an annual inventory of fixed assets and maintenance materials. These inventories should be recorded to the general ledger.

Grantor's Response: The Housing Authority of St. James Parish conducted inventory the months of February and March 1999. It was posted in the newsletter and individual notices were distributed to current residents. Inventory was completed March 31, 1999.

85-4 TENANT FILES

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - CFDA#14.850

\$0

Condition and Criteria: Our review of ten tenant files revealed significant improvement over the prior year. Since the PHA resubmitted all tenants effective September 1, 1998, we tested rents charged during September 1998. Our review of the ten files indicated an unassigned Form 9800 and unprocessed income in one file and a rent calculation error in another file. We also noted three families who were housed in an inappropriate unit size.

Our review revealed that all units had been overdue for reexamination. Some units had not been reexamined since 1995. During September 1998, we noted an increase in monthly rental charges of approximately \$9,000.00. Due to the overdue re-exams and the significant increase in rents, we are unable to place any reliance on the first eleven months of the year. As a result, we are unable to satisfy ourselves as to the completeness of rent and we are unable to express an opinion.

Effect: Tenants' rental charges may be incorrect, tenants may not be eligible for housing and all required forms may not be submitted in a timely manner.

Cause: The PHA's internal control structure is not adequate to identify deficiencies in a timely manner.

Population and Items Tested: We had selected 32 files for testing. Based on the results of the first ten files, it was determined that the PHA had material instances of non-compliance and the internal control system was inadequate. These significant deficiencies contributed to our disclaimer of an opinion on the financial statements.

Auditor's Recommendation: The PHA should continue to conduct re-examinations of all tenants.

Grantor's Response: The Housing Authority of St. James Parish performed a mass re-examination May 1999. Calculations were performed in June 1999. Letter signings were scheduled and completed July 1999. The leases were also affected December 1, 1999. The Executive Director personally went through each file and determined the move-in date from the

Housing Authority of St. James Parish
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 1998

data gathered. Information was gleaned during the resident interviews at recertification and lease signing. A review of 20088s and leases was also done. We believe we have the best file possible. During inventory the PHA found all various sites information on residents which should have been in the files located at the Central Administrative office. This information will be compiled into the new files set up in May 1998. It is as it part file which is set-up as below:

- a. Contact
- b. Lease
- c. Birth certificate and Social Security income
- d. Verification and rent calculation
- e. Personal emergency data, vehicle registration and medical information
- f. Counseling and correspondence
- g. Work orders
- h. Inspections

95-5 INSURANCE POLICIES

Questioned
Costs
\$0

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - CFQAFM 892

Condition and Criteria: During the audit period, the PHA apparently allowed the insurance policies of the PHA to lapse.

Effect: The PHA may not have been adequately insured at times during the audit period.

Cause: The PHA did not have an adequate system of internal control to monitor the renewal of the policies.

Auditor's Recommendation: The PHA should ensure that all policies are kept current.

Grantor Response: All insurances had lapsed. The Executive Director informed the Board of Commissioners on April 9, 1998 at their regularly scheduled board meeting. She immediately contacted insurance providers to arrange pickup of contracts insurance coverage. All insurance was paid by July (car and health). Property insurance was reinstated payment completed by November 1998.

95-6 UNDOCUMENTED EXPENDITURES

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - CFQAFM 892,14,899

\$ 284,164.80

Condition and Criteria: We were unable to obtain proper documentation for numerous checks. Some checks were paid from a statement and not an invoice. As a result, we were unable to determine the exact nature of all purchases.

The undocumented or inadequately documented expenditures included utility bills, janitorial bills, office and maintenance supplies, mobilization expenditures, terminal leave payments, PHA/DP expenditures, equipment purchases, payroll taxes, etc.

We noted three checks on May 28, 1998 to the IRS that totaled \$62,798.67 for unpaid payroll taxes. We also noted a \$14,743.25 check for unpaid retirement contributions. In addition to these payments to the IRS, we noted a payment to the IRS on October 28, 1998 for \$65,665.28 in unpaid payroll taxes. The PHA is trying to research these areas to ensure that all overpayments were not made. Unrecorded payroll taxes have been and are being prepared by the PHA. At September 30, 1998, we were not able to determine the amount owed for unpaid payroll taxes.

We did note improvement in documentation of all expenditures as the year progressed. We also could not locate bills for some equipment purchases and contracts.

Housing Authority of St. James Parish
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 1998

The PHA was also audited by the Inspector General for Audit regarding its Public Housing Drug Elimination Program. The report stated that the PHA did not properly administer the program. We have not recorded the amounts possibly owed back to HUD as a result of this audit.

Effect: The PHA may have paid for items that were unallowable.

Cause: The PHA's internal control system is inadequate to monitor compliance with allowable costs.

Population and Items Tested: We tested 1 (2) checks and had questions regarding 5(1) of these checks.

Auditor's Recommendation: The PHA should retain all documentation to support each disbursement.

Grantor's Response: The PHA set up folders for pay and all expenses which were regular and continuing as part of the overall operation of the agency. Contracts and purchases are according to established and approved policy. Documentation is placed in the file.

NET BUDGET OVERRUN:

**Questioned
Costs**

20

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - CPDM14 890

Condition and Criteria: The PHA exceeded budgeted amounts in several categories. The budget should be used to monitor spending and determine necessary expenditures. Significant overages include:

	<u>Budget</u>	<u>Actual</u>	
Sanitary Administration	\$ 17,500.00	\$ 51,353.74	
Maintenance Salaries	126,800.00	174,899.00	
Other Maintenance Costs	80,800.00	77,238.67	
Insurance	103,488.00	120,890.08	
Capital Expenditures	80,894.00	88,184.94	

Effect: The PHA exceeded its budget and, as a result, did not comply with federal and state guidelines.

Cause: The PHA's internal control system apparently is not adequate to monitor spending.

Auditor's Recommendation: The PHA should strictly adhere to its budget.

Grantor's Response: The fiscal year ending September 08, 1998 operating budget was divided into 23 positions. The HUD-TARO Team with the Executive Director cut and repositioned staff. We had to use the money for unexpected expenses (IRS, insurance, retirement, etc.). The PHA was limited in their ability to request additional funding. Budget was used to pay the like item overruns related to (1) correct underpayments to career staff, (2) pay incoming personnel in maintenance, (3) pay workers who had not been paid in six months, (4) substitute insurance coverage, (5) purchase equipment (a truck with liftgate, refrigerators, stoves and sundry items), (6) attend a training as stipulated in the six month necessary plan for staff and commissions, and (7) purchase/lease office supplies, materials and equipment to get office ready for fall operation.

Housing Authority of St. James Parish
Summary Schedule of Prior Audit Findings
Year Ended September 30, 1996

BT-1 TENANTS' ACCOUNTS RECEIVABLE

Condition and Criteria: The PHA's balance in tenant's accounts receivable exceeded the maximum recommended by HUD. At September 30, 1995, the PHA's accounts receivable balance was \$28,275. This is approximately 203% of the average monthly rental charges. HUD requirements stip this balance should be within 10% of the average monthly rental charges. This was a repeat finding from the prior audit.

Auditor's Recommendation: The PHA should strive to reduce its accounts receivable to an acceptable level.

Current Status: Tenant accounting continued to be a problem during the fiscal year ending September 30, 1996.

BT-2 TENANT ACCOUNTING RECORDS

Condition and Criteria: The PHA's tenant accounting records do not agree with the general ledger. At September 30, 1995, the general ledger reflected a balance of tenants accounts receivable of \$28,275.81. The rental register indicates a balance of \$28,808.00. The tenants' security deposit account is also out of balance. The general ledger indicates a balance of \$10,888.00 but the PHA's rental records indicate a balance of \$18,380.00. For the month of August 1995, we noted five receipts that were marked as void. We were unable to locate the original white copy of the receipt on seven of these receipts. This finding has been repeated from the prior audit.

Auditor's Recommendation: The PHA should make sure that all balances from the prior month rental register are in agreement with the beginning balances on the next month's rental register. All voided receipts should include all copies of the original receipt.

Current status: Tenant accounting continued to be a problem during the fiscal year ending September 30, 1996.

BT-3 NO ANNUAL PHYSICAL INVENTORY OF EQUIPMENT AND MAINTENANCE MATERIALS

Condition and Criteria: The PHA does not have an annual physical inventory that agrees with its general ledger. The PHA should conduct an annual inventory of fixed assets and maintenance materials on an annual basis. This finding has been repeated from the prior audit.

Auditor's Recommendation: The PHA should conduct an annual inventory of fixed assets and maintenance materials. These inventories should be recorded to the general ledger.

Current status: The PHA did not complete an annual physical inventory during the fiscal year ending September 30, 1996.

BT-4 TENANT FILES

Condition and Criteria: Our review of ten tenant files revealed significant deficiencies, as follows:

File #1 - Did not contain a tenant signed application for each year of occupancy, did not contain verification of tenant income, latest recertification was done effective January 1, 1995, Form 50058 was not completed and submitted to the MTCS processing center.

File #2 - Did not contain a tenant signed application for each year of occupancy, did not contain a signed Form 9858-Authorization for Release of Information, no verification of income, rent amount in tenant file did not agree to the amount charged the tenant, latest recertification was done effective August 1, 1994 and Form 50058 was not submitted to the MTCS processing center.

File #3 - Did not contain a tenant signed application for each year of occupancy, did not contain a signed Form 9858-Authorization for Release of Information, no verification of income, latest recertification was done effective April 1, 1996 and Form 50058 was not completed and submitted to the MTCS processing center.

**Housing Authority of St. James Parish
Summary Schedule of Prior Audit Findings (Continued)
Year Ended September 30, 1999**

File #6 - Did not contain a tenant signed application for each year of occupancy, did not contain a signed Form 9888-Authorization for the Release of Information and Form 50258 was not submitted to MTCS processing center.

File #5 - Did not contain a tenant signed application for each year of occupancy, did not contain a signed Form 9888-Authorization for the Release of Information, latest recertification was done effective June 29, 1999 and Form 50258 was not completed and submitted to the MTCS processing center.

File #5 - Did not contain a tenant signed application for each year of occupancy, did not contain a signed Form 9888-Authorization for the Release of Information, annual latest recertification was done effective May, 1999 and Form 50258 was not completed and submitted to the MTCS processing center.

File #7 - Did not contain a tenant signed application for each year of occupancy, did not contain a signed Form 9888-Authorization for Release of Information, no verification of income, latest recertification was done effective April 1, 1999 and Form 50258 was not completed and submitted to the MTCS processing center.

File #6 - Did not contain a tenant signed application for each year of occupancy, did not contain a signed Form 9888-Authorization for the Release of Information, no verification of income, latest recertification was done effective April 1, 1998. Form 50258 was not completed and submitted to the MTCS processing center and we could not locate a rental computation that agreed with the amount of rent that the tenant was charged.

File #6 - Did not contain a tenant signed application for each year of occupancy, did not contain a signed Form 9888-Authorization for the Release of Information, annual latest recertification was done effective May, 1998 and Form 50258 was not completed and submitted to the MTCS processing center.

File #10 - Amount of rent charged the tenant does not agree with the rental computation amount in the tenant file, did not contain a signed Form 9888-Authorization for the Release of Information and Form 50258 was not completed and submitted to the MTCS processing center.

In addition, none of the files noted above contained an HGE inspection.

We also reviewed tax files of tenants that had been reported as move-outs on the rental register. One of these files did not include any move-out documentation (i.e. move-out inspection, etc.).

Auditor's Recommendation: The PHA should conduct re-examinations of all tenants as soon as possible. The PHA should review HUD regulations to determine all required items.

Current Status: Our review of tenant files during the current audit revealed deficiencies.

97-6 MODERNIZATION RECORDS

Condition and Criteria: All modernization records of the PHA are maintained at the office of the modernization coordinator. We were unable to review these records. As a result, we were unable to determine the entity's compliance with procurement and Davis Bacon Act requirements. These items are verified to the disclaimer of an opinion on the financial statements.

Auditor's Recommendation: The PHA should retain all records at the PHA office.

Current status: During the fiscal year ending September 30, 1998, the PHA expense records were adjusted to agree with the amount of funds received.

97-8 INSURANCE POLICIES WERE UNAVAILABLE

Condition and Criteria: We were unable to determine if the amount of insurance coverage was adequate to cover all potential losses. The PHA was unable to provide us with copies of insurance policies as required by HUD. This finding contributed to the disclaimer of an opinion on the financial statements.

Housing Authority of St. James Parish
Summary Schedule of Prior Audit Findings (Continued)
Year Ended September 30, 1998

Auditor's Recommendation: The PHA should retain copies of all records at the PHA office.

Current status: During the fiscal year ending September 30, 1998, the insurance policies of the PHA lapsed. They have apparently been reinstated.

07-7 UNDOCUMENTED EXPENDITURES

Condition and Criteria: We were unable to obtain proper documentation for three checks as follows:

Check #	Payee	Amount
21240	Maribel Marquis Hotel	\$2,825.48
21263	Internal Revenue Service	3,295.42
21555	Lemons Farm Supply	3,808.08

We were unable to find any documentation for check #21,248. We noted a letter from the Internal Revenue Service regarding a possible lien for check #21,263, but we were unable to determine how the amount of the check was computed.

Check #21,828 was paid from a statement and we could not identify what was purchased.

As noted in finding 07-5, we were unable to determine compliance with procurement procedures for modernization checks.

Auditor's Recommendation: The PHA should retain all documentation to support each disbursement.

Current status: During the fiscal year ending September 30, 1998, we noted numerous undocumented or inadequately documented expenditures.

07-8 LATE AUDIT

Condition and Criteria: The PHA's audit was submitted after the six month deadline required by the state of Louisiana.

Auditor's Recommendation: The PHA should provide all requested information in a timely manner.

Current Status: The audit for September 30, 1998 will be submitted timely.

07-9 MISSING ITEMS

Condition and Criteria: The following items were requested from the PHA but never received by the auditor:

1. Signed copy of year end financial statements submitted to HUD.
2. Approved operating budget for the fiscal year ending September 30, 1997.
3. Insurance policies of the Authority.
4. Public Housing Management Assessment Program certification and documentation.
5. Master/contractor records including procurement and monitoring all contractor compliance.
6. Louisiana Compliance Questionnaire.
7. Management Representation Letter.
8. Authorization to reinterview with the authority regarding possible contingent liabilities.

Auditor's Recommendation: The PHA should provide all requested information in a timely manner to allow for a timely audit.

Current status: During the current audit, we were provided with all requested information. However, due to pervasive problems in leased accounting and undocumented expenditures, we are still unable to express an opinion on the financial statements.