

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

**Annual Financial Report
As of and for the Year Ended September 30, 2020**

Housing Authority of the Parish of St. James
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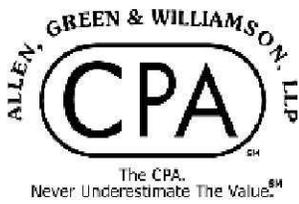
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ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Principal: Cindy Thomason, CPA

Audit Managers: Margie Williamson, CPA
Jennie Henry, CPA, CFE

In-Charges: Crystal Patterson, CPA
Mallory Stone, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Parish of St. James
Lutcher, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the Parish of St. James as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, which represents 100% of the assets, net position, and revenues as of December 31, 2019 of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no

such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Housing Authority, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying supplementary information, as listed in the table of contents, which includes the financial data schedule, required by the United States Department of Housing and Urban Development, and the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, which includes the financial data schedule, required by the United States Department of Housing and Urban Development, and the schedule of expenditures of federal awards, as required by the Uniform Guidance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, which includes the financial data schedule, required by the United States Department of Housing and

Urban Development and the schedule of expenditures of federal awards, as required by the Uniform Guidance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021 on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
December 20, 2021

REQUIRED SUPPLEMENTARY INFORMATION

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

**Housing Authority of the Parish of St. James
Management's Discussion and Analysis
September 30, 2020**

The Housing Authority of the Parish of St. James, hereinafter referred to as “the Authority”, management’s discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the Authority’s financial activity; (c) identify changes in the Authority’s financial position; and, (d) identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year’s activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statements.

FINANCIAL HIGHLIGHTS

- The Authority’s net position increased by \$169,082 during 2020. Net Position was \$4,850,806 and \$4,681,724 for 2020 and 2019, respectively.
- Revenues, excluding capital grants, increased by \$132,081. Revenues were \$2,321,183 and \$2,189,102 for 2020 and 2019, respectively.
- The total expenses for all Authority programs decreased by \$66,175. Total expenses were \$2,396,567 and \$2,462,742 for 2020 and 2019, respectively.
- During fiscal year September 30, 2019, the Housing Authority converted two developments, Convent and Central, to the Rental Assistance Demonstration (RAD) program. Due to the conversion, these properties are considered to be discretely presented component units: Convent Trace Development, L.P. and Central Crossing Development, L.P., in which the fiscal year ended December 31, 2019 is reported for the Housing Authority’s fiscal year ended September 30, 2020. The total operating revenues for the fiscal year ended December 31, 2019 were \$456,143 and total operating expenses were \$774,508. The total nonoperating expenses were \$241,338 and contributions were \$4,551,783. The change in net position was \$3,992,080. A copy of the Convent Trace Development, L.P.’s and Central Crossing Development, L.P.’s audit reports can be obtained from the Housing Authority.

**Housing Authority of the Parish of St. James
Management's Discussion and Analysis
September 30, 2020**

USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Supplementary Information":

**Required Supplementary Information
Management's Discussion & Analysis (MD&A)**

Basic Financial Statements

**Authority-wide Financial Statements
Notes to the Financial Statements**

**Supplementary Information
Schedule of Compensation, Benefits and Other Payments to Agency Head
Schedule of Compensation Paid Board Members
Financial Data Schedule**

Single Audit Information

Other Information

The primary focus of the Authority's financial statements is on the Authority as a whole. This allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

Fund Financial Statements

These Statements include a Statement of Net Position which reports all financial and capital resources for the Authority. The statement is presented in the format where assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources equals "Net Position". Assets, liabilities and deferred outflows/inflows of resources are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year) and "Non-current".

**Housing Authority of the Parish of St. James
Management's Discussion and Analysis
September 30, 2020**

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position is reported in three broad categories:

Net Investment in Capital Assets: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of net position that do not meet the definition of “Net Investment in Capital Assets” or “Restricted Net Position”.

The financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an Income Statement). This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the “Change in Net Position”, which is similar to net income or loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, capital and related financing activities, and from investing activities.

The Authority uses the enterprise fund basis for accounting, which utilizes the full accrual basis. The enterprise method of accounting is similar to accounting used by the private sector for accounting.

The Authority's Programs

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

In addition to the Conventional Public Housing Program, due to the RAD conversion of two developments, the Housing Authority receives sub-management fees for assisting in overseeing the operations of these developments.

**Housing Authority of the Parish of St. James
Management's Discussion and Analysis
September 30, 2020**

FINANCIAL STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position of the primary government compared to prior year. The Authority is engaged only in Business-Type Activities.

TABLE 1

STATEMENT OF NET POSITION

	2020	2019	Variance
Current assets	\$ 1,976,520	\$ 1,693,947	\$ 282,573
Restricted assets	71,810	62,787	9,023
Noncurrent assets	1,924,346	1,892,378	31,968
Capital assets, net	1,611,746	1,728,991	(117,245)
Total assets	<u>5,584,422</u>	<u>5,378,103</u>	<u>206,319</u>
Current liabilities	104,321	102,931	1,390
Current liabilities payable from current restricted assets	42,852	41,651	1,201
Noncurrent liabilities	586,443	551,797	34,646
Total Liabilities	<u>733,616</u>	<u>696,379</u>	<u>37,237</u>
Net Position:			
Net Investment in Capital Assets	1,611,746	1,728,991	(117,245)
Unrestricted	3,239,060	2,952,733	286,327
Total Net Position	<u>\$ 4,850,806</u>	<u>\$ 4,681,724</u>	<u>\$ 169,082</u>

Major Factors Affecting the Statement of Net Position

Total assets increased by \$206,319 as of September 30, 2020 mainly because of increases in cash to due to receipts from the discretely presented component units.

Total liabilities increased by \$37,236 because of the increase in Accrued Long Term Compensated Absences.

Table 2 presents details on the change in Unrestricted Net Position.

**Housing Authority of the Parish of St. James
Management's Discussion and Analysis
September 30, 2020**

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net Positon as of September 30, 2019	\$	<u>2,952,733</u>
Results from Operations		(108,041)
Adjustments:		
Depreciation (1)		384,526
Funding Provided for Capital Grants (2)		244,466
Interest Earned on Operations		32,657
Capital Asset Purchases		<u>(267,281)</u>
Adjusted Results from Operations		<u>286,327</u>
Unrestricted Net Positon as of September 30, 2020	\$	<u><u>3,239,060</u></u>

- (1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.
- (2) Funding provided for capital grant hard costs, pursuant to GASB 33, is reported as revenue. However, the revenue is absorbed by the associated capital purchases and therefore does not increase Unrestricted Net Position.

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

**Housing Authority of the Parish of St. James
Management's Discussion and Analysis
September 30, 2020**

The following schedule compares the revenues and expenses of the primary government for the current and previous fiscal year.

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Revenues			
Tenant Revenue – Rents and Other	\$ 635,802	\$ 650,791	\$ (14,989)
Operating Subsidies and Grants	1,327,689	1,313,205	14,484
Capital Grants	244,466	239,923	4,543
Other Revenues	357,692	225,106	132,586
Total Revenue	<u>2,565,649</u>	<u>2,429,025</u>	<u>136,624</u>
Expenses			
Administration	677,253	621,957	55,296
Tenant services	253,493	162,354	91,139
Utilities	121,154	107,626	13,528
Ordinary maintenance and operations	573,315	714,730	(141,415)
General expenses	386,826	434,787	(47,961)
Housing assistance payments	-	27,732	(27,732)
Depreciation	384,526	393,556	(9,030)
Total Expenses	<u>2,396,567</u>	<u>2,462,742</u>	<u>(66,175)</u>
Net Increase (Decrease)	<u>\$ 169,082</u>	<u>\$ (33,717)</u>	<u>\$ 202,799</u>

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Fund Net Position

Total revenues increased by \$136,624 from 2019 to 2020, mainly due to developer fees received by the Blended Component Unit.

Total expenses decreased \$66,175 from 2019 to 2020 mainly due to maintenance materials charged in fiscal year 2019.

**Housing Authority of the Parish of St. James
Management's Discussion and Analysis
September 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of the end of 2020 the Authority had \$1,611,746 invested in a variety of capital assets as reflected in the following schedule.

TABLE 4

**CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	2020	2019
Land	\$ 439,459	\$ 439,459
Buildings	12,954,636	12,699,041
Furniture and Equipment	457,364	445,678
Accumulated Depreciation	(12,239,713)	(11,855,187)
Total	\$ 1,611,746	\$ 1,728,991

The capital assets had decreased by \$117,245 due to the combination of a \$267,281 increase in capitalized assets with a \$384,526 increase in accumulated depreciation. See Note 4 to the notes to the financial statements for additional information.

The following reconciliation summarizes the change in capital assets.

TABLE 5

CHANGE IN CAPITAL ASSETS

	Business Activities
Beginning Balance	\$ 1,728,991
Additions, Net of Retirements	267,281
Depreciation and Amortization	(384,526)
Ending Balance	\$ 1,611,746

Debt

The Housing Authority has a note payable of \$462,000 as of September 30, 2020 due to Affordable Housing Program (AHP) funds received and passed to the discretely presented component units for construction at the two RAD conversion properties. Additionally, the Housing Authority has compensated absences payable outstanding as of September 30, 2020. See Notes 7 and 8 to the notes to the financial statements for additional information.

**Housing Authority of the Parish of St. James
Management's Discussion and Analysis
September 30, 2020**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is Dana Groover, Executive Director of the St. James Parish Housing Authority, at (225) 869-3278. Specific requests may be submitted to the Housing Authority of the Parish of St. James, 2627 North King Avenue, Lusher, Louisiana, 70071.

Housing Authority of the Parish of St. James

BASIC FINANCIAL STATEMENTS

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

**Enterprise Funds
Statement of Net Position
September 30, 2020**

	Total Primary Government	Statement A Total Discretely Presented Component Units
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,477,086	\$ 78,162
Accounts receivable, net	440,574	10,384
Prepaid items and other assets	49,614	13,319
Inventory	9,246	-
Restricted Assets		
FSS escrow	28,958	-
Resident deposits	42,852	16,080
Reserve for replacement	-	16,733
	<u> </u>	<u> </u>
Total current assets	2,048,330	134,678
	<u> </u>	<u> </u>
Non-current assets:		
Notes receivable due from component units	1,817,010	-
Accrued interest receivable due from component units	107,336	-
Other assets	-	82,325
Capital assets		
Land	439,459	306,020
Buildings, and equipment (net)	1,172,287	9,011,182
	<u> </u>	<u> </u>
Total non-current assets	3,536,092	9,399,527
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 5,584,422	\$ 9,534,205
	<u> </u>	<u> </u>

(Continued)

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

**Enterprise Funds
Statement of Net Position
September 30, 2020**

	Total Primary Government	Statement A Total Discretely Presented Component Units
LIABILITIES		
Current Liabilities:		
Accounts and other payables	\$ 56,211	\$ 29,509
Accrued liabilities	-	21,936
Unearned revenue	3,636	4,985
Current portion of compensated absences payable	44,474	-
Accrued interest payable - mortgage payable	-	7,819
Current portion of mortgage payable	-	20,274
 Current Liabilities Payable From Current Restricted Assets		
Deposits due others	42,852	16,080
 Total current liabilities	147,173	100,603
Non-current liabilities:		
FSS escrow liability	28,958	-
Compensated absences payable	95,485	-
Mortgage payable	-	1,579,002
CDBG loan payable	-	600,000
Accrued interest payable on CDBG loan payable	-	9,337
Notes payable to primary government	-	1,817,000
Accrued interest payable to primary government	-	83,993
Developer fee payable	-	334,111
Accrued interest payable on developer fee payable	-	3,463
Notes Payable	462,000	-
 Total non-current liabilities	586,443	4,426,906
 TOTAL LIABILITIES	733,616	4,527,509
NET POSITION		
Net investment in capital assets	1,611,746	5,300,926
Unrestricted	3,239,060	(294,230)
 TOTAL NET POSITION	\$ 4,850,806	\$ 5,006,696

(Concluded)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

**Enterprise Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended September 30, 2020**

	Total Primary Government	Statement B Total Discretely Presented Component Units
OPERATING REVENUES		
Dwelling rental	\$ 635,802	\$ 454,147
Federal grants	1,327,689	-
Other income	325,035	1,996
Total operating revenues	2,288,526	456,143
OPERATING EXPENSES		
Administration	677,253	78,799
Tenant services	253,493	-
Utilities	121,154	38,384
Ordinary maintenance and operations	573,315	80,087
Protective services	-	1,585
General expenses	386,826	182,919
Depreciation and amortization	384,526	392,734
Total operating expenses	2,396,567	774,508
Income (loss) from operations	(108,041)	(318,365)
NONOPERATING REVENUES (EXPENSES)		
Interest earnings	32,657	-
Interest expense	-	(241,338)
Total nonoperating revenues (expenses)	32,657	(241,338)
Income (loss) before contributions and transfers	(75,384)	(559,703)
Capital contributions	244,466	4,551,783
Change in net position	169,082	3,992,080
NET POSITION AT BEGINNING OF YEAR	4,681,724	1,014,616
NET POSITION AT END OF YEAR	\$ 4,850,806	\$ 5,006,696

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

**Enterprise Funds
Statement of Cash Flows
For the Year Ended September 30, 2020**

	Total Primary Government	Statement C Discretely Presented Component Units
CASH FLOWS FROM OPERATING ACTIVITIES:		
Rental receipts	\$ 642,612	\$ 462,854
Other receipts	501,254	632
Federal grants	1,494,097	-
Payments to vendors	(1,024,990)	(377,285)
Payments to employees	(935,634)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	677,339	86,201
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(267,280)	(1,894,412)
Proceeds from loans payable	-	759,506
Payments on capital debt	-	(3,254,317)
Interest paid on capital debt	-	(204,453)
Proceeds from capital contributions	387,003	4,551,783
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	119,723	(41,893)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends	688	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	688	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	797,750	44,308
CASH AT BEGINNING OF YEAR	751,146	66,667
CASH AT END OF YEAR	1,548,896	110,975
Reconciliation to Financial Statements:		
Cash and cash equivalents	1,477,086	78,162
Restricted deposits	71,810	32,813
TOTAL CASH AND CASH EQUIVALENTS	\$ 1,548,896	\$ 110,975

(Continued)

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

**Enterprise Funds
Statement of Cash Flows
For the Year Ended September 30, 2020**

	<u>Total Primary Government</u>	<u>Statement C Discretely Presented Component Units</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (108,041)	\$ (318,365)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization expense	384,526	392,734
Changes in assets and liabilities:		
Receivables, net	338,282	(1,395)
Inventories	1,825	-
Prepaid items	23,510	(13,319)
Accounts payable	2,756	9,547
Accrued liabilities	-	8,261
Unearned revenue	1,313	4,930
Deposits due others	9,023	3,808
Compensated absences	24,145	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>677,339</u>	<u>86,201</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Accrued interest receivable	\$ 31,968	\$ -
Accrued interest payable	-	35,116
TOTAL	<u>\$ 31,968</u>	<u>\$ 35,116</u>
		(Concluded)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

**Enterprise Funds
Combining Statement of Net Position for the Discretely Presented Component Units
September 30, 2020**

	<u>Convent Trace Development, LP</u>	<u>Central Crossing Development, LP</u>	<u>Statement D Total Discretely Presented Component Units</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 18,794	\$ 59,368	\$ 78,162
Accounts receivable, net	5,869	4,515	10,384
Prepaid items and other assets	5,827	7,492	13,319
Restricted Assets			
Resident deposits	6,293	9,787	16,080
Reserve for replacement	9,000	7,733	16,733
Total current assets	<u>45,783</u>	<u>88,895</u>	<u>134,678</u>
Non-current assets:			
Other assets	27,570	54,755	82,325
Capital assets			
Land	140,010	166,010	306,020
Buildings, and equipment (net)	3,929,417	5,081,765	9,011,182
Total non-current assets	<u>4,096,997</u>	<u>5,302,530</u>	<u>9,399,527</u>
TOTAL ASSETS	<u>4,142,780</u>	<u>5,391,425</u>	<u>9,534,205</u>
LIABILITIES			
Current Liabilities:			
Accounts and other payables	15,928	13,581	29,509
Accrued liabilities	11,553	10,383	21,936
Unearned revenue	2,450	2,535	4,985
Accrued interest payable - mortgage payable	3,515	4,304	7,819
Current portion of mortgage payable	8,947	11,327	20,274
Current Liabilities Payable From Current Restricted Assets			
Deposits due others	6,293	9,787	16,080
Total current liabilities	<u>48,686</u>	<u>51,917</u>	<u>100,603</u>
Non-current liabilities:			
Mortgage payable	710,329	868,673	1,579,002
CDBG loan payable	-	600,000	600,000
Accrued interest payable on CDBG loan payable	-	9,337	9,337
Notes payable to primary government	910,000	907,000	1,817,000
Accrued interest payable to primary government	44,057	39,936	83,993
Developer fee payable	190,661	143,450	334,111
Accrued interest payable on developer fee payable	1,974	1,489	3,463
Total non-current liabilities	<u>1,857,021</u>	<u>2,569,885</u>	<u>4,426,906</u>
TOTAL LIABILITIES	<u>1,905,707</u>	<u>2,621,802</u>	<u>4,527,509</u>
NET POSITION			
Net Investment in capital assets	2,440,151	2,860,775	5,300,926
Unrestricted	(203,078)	(91,152)	(294,230)
TOTAL NET POSITION	<u>\$ 2,237,073</u>	<u>\$ 2,769,623</u>	<u>\$ 5,006,696</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

**Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Discretely Presented Component Units
For the Year Ended September 30, 2020**

	Convent Trace Development, LP	Central Crossing Development, LP	Statement E Total Discretely Presented Component Units
OPERATING REVENUES			
Dwelling rental	\$ 195,187	\$ 258,960	\$ 454,147
Other income	68	1,928	1,996
Total operating revenues	<u>195,255</u>	<u>260,888</u>	<u>456,143</u>
OPERATING EXPENSES			
Administration	38,033	40,766	78,799
Utilities	17,947	20,437	38,384
Ordinary maintenance and operations	35,328	44,759	80,087
Protective services	1,069	516	1,585
General expenses	64,448	118,471	182,919
Depreciation and amortization	<u>184,420</u>	<u>208,314</u>	<u>392,734</u>
Total operating expenses	<u>341,245</u>	<u>433,263</u>	<u>774,508</u>
Income (loss) from operations	<u>(145,990)</u>	<u>(172,375)</u>	<u>(318,365)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest expense	<u>(115,862)</u>	<u>(125,476)</u>	<u>(241,338)</u>
Total nonoperating revenues (expenses)	<u>(115,862)</u>	<u>(125,476)</u>	<u>(241,338)</u>
Income (loss) before contributions and transfers	(261,852)	(297,851)	(559,703)
Capital contributions	<u>2,025,405</u>	<u>2,526,378</u>	<u>4,551,783</u>
Change in net position	1,763,553	2,228,527	3,992,080
NET POSITION AT BEGINNING OF YEAR	<u>473,520</u>	<u>541,096</u>	<u>1,014,616</u>
NET POSITION AT END OF YEAR	<u>\$ 2,237,073</u>	<u>\$ 2,769,623</u>	<u>\$ 5,006,696</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

**Enterprise Funds
Combining Statement of Cash Flows For the Discretely Presented Component Units
For the Year Ended September 30, 2020**

			Statement F
	Covent Trace Development, LP	Central Crossing Development, LP	Total Discretely Presented Component Units
CASH FLOWS FROM OPERATING ACTIVITIES:			
Rental receipts	\$ 199,754	\$ 263,100	\$ 462,854
Other receipts	(1,154)	1,786	632
Payments to vendors	(156,291)	(220,994)	(377,285)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	42,309	43,892	86,201
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(940,602)	(953,810)	(1,894,412)
Proceeds from loans payable	210,000	549,506	759,506
Payments on capital debt	(1,240,472)	(2,013,845)	(3,254,317)
Interest paid on capital debt	(88,708)	(115,745)	(204,453)
Proceeds from capital contributions	2,025,405	2,526,378	4,551,783
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(34,377)	(7,516)	(41,893)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,932	36,376	44,308
CASH AT BEGINNING OF YEAR	26,155	40,512	66,667
CASH AT END OF YEAR	34,087	76,888	110,975
Reconciliation to Financial Statements:			
Cash and cash equivalents	18,794	59,368	78,162
Restricted deposits	15,293	17,520	32,813
TOTAL CASH AND CASH EQUIVALENTS	34,087	76,888	110,975
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(145,990)	(172,375)	(318,365)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization expense	184,420	208,314	392,734
Changes in assets and liabilities:			
Receivables, net	(433)	(962)	(1,395)
Prepaid items	(5,827)	(7,492)	(13,319)
Accounts payable	6,370	3,177	9,547
Accrued liabilities	(9)	8,270	8,261
Unearned revenue	2,419	2,511	4,930
Deposits due others	1,359	2,449	3,808
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 42,309	\$ 43,892	\$ 86,201
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Accrued interest payable	\$ 23,639	\$ 11,477	\$ 35,116

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

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Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

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

A. REPORTING ENTITY Housing authorities are chartered as public corporations under the laws LSA-R.S. 40:391 of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five-member board of commissioners.

The Housing Authority has the following units:

	<u># of Units</u>
PHA Owned Housing	252

The accompanying financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Standards establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, the Housing Authority is considered a *primary government*, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

Governmental Accounting Standards Board (GASB) establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

The GASB has set forth criteria to be considered in determining financial accountability, which includes:

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

Based on the previous criteria, the Housing Authority is not a component unit of another agency; however, the Housing Authority has determined that the following component units should be considered as part of the Housing Authority reporting entity.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

St. James Housing Alliance, Inc. is a legally separate entity, which is a not-for-profit corporation and has a December 31st year end; however, the Housing Authority is in the process of changing this fiscal year end to September 30th. Per the Bylaws, the Board of Directors of St. James Housing Alliance, Inc. is made up of three members, which consist of the Chairman of the Housing Authority's Board of Commissioners, Vice-Chairman of the Housing Authority's Board of Commissioners and Executive Director of the Housing Authority. This provides the Housing Authority with a voting majority of the governing body of the Corporation. St. James Housing Alliance, Inc. impose a financial benefit and burden on the Housing Authority. Based on the above, St. James Housing Alliance, Inc. is considered to be a component unit of the Housing Authority and should be included under blended presentation.

In April 2016, Convent Trace GP, LLC was created as a legally separate entity, which is a Louisiana limited liability company. In July 2016, the operating agreement was amended and restated for Convent Trace GP, LLC, which lists St. James Housing Alliance, Inc. as having 51% membership and the managing member. The St. James Housing Alliance, Inc. has the power to bind and the power to impose its will on Convent Trace GP, LLC. Therefore, Convent Trace GP, LLC is considered to be a component unit of the Housing Authority under discrete presentation.

In April 2016, Convent Trace Development, L.P. (CTDLP) was created as a legally separate entity, which is a limited partnership under the laws of the state of Louisiana. The partnership was formed to acquire, construct or rehabilitate, own and operation a housing complex of 28 residential units for rental to low income residents. The partnership acquired the property from the Housing Authority under the Rental Assistance Demonstration (RAD) program. The RAD Conversion has allowed the Housing Authority to convert the public housing developments to a Section 8 platform, by transferring ownership of the developments to limited partnerships. However, the developments will be maintained for low-income households. Upon acquisition, rehabilitation of the property commenced and was substantially completed during CTDLP's fiscal year of December 31, 2018. The Managing General Partner of CTDLP is Convent Trace GP, LLC. In addition, the Housing Authority has a sub-management agreement with CTDLP to assist in overseeing the day-to-day operations and can impose its will on the partnership. Based on this information, CTDLP is considered to be a component unit of the Housing Authority under discrete presentation.

In April 2016, Central Crossing GP, LLC was created as a legally separate entity, which is a Louisiana limited liability company. In July 2016, the operating agreement was amended and restated for Central Crossing GP, LLC, which lists St. James Housing Alliance, Inc. as having 51% membership and the managing member. The St. James Housing Alliance, Inc. has the power to bind and the power to impose its will on Central Crossing GP, LLC. Therefore, Central Crossing GP, LLC is considered to a component unit of the Housing Authority under discrete presentation.

In April 2016, Central Crossing Development, L.P. (CCDLP) was created as a legally separate entity, which is a limited partnership under the laws of the state of Louisiana. The partnership was formed to acquire, construct or rehabilitate, own and operation a housing complex of 36 residential units for rental to low income residents. The partnership acquired the property from the Housing Authority. The partnership acquired the property from the Housing Authority under the Rental Assistance Demonstration (RAD) program. The RAD Conversion has allowed the Housing Authority to convert the public housing developments to a Section 8 platform, by transferring ownership of the developments to limited partnerships. However, the developments will be maintained for low-income households. Upon acquisition, rehabilitation of the property commenced and was substantially completed during CCDLP's fiscal year of December 31, 2018. The Managing General Partner of CCDLP is Central Crossing GP, LLC. In addition, the Housing Authority has a sub-management agreement with CCDLP to assist in overseeing the day-to-day operations and can impose its will on the partnership. Based on this information, CCDLP is considered to be a component unit of the Housing Authority under discrete presentation.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

The transactions that occurred during the Housing Authority's fiscal year were between the Housing Authority and the Limited Partnerships. No financial transactions occurred during the fiscal year ended September 30, 2020 for Convent Trace GP, LLC and Central Crossing GP, LLC. Therefore, no financial information is provided for these organizations.

Separate financial statements of both Limited Partnerships, CTDLP and CCDLP, were issued for fiscal year ended December 31, 2019, and can be obtained from the Housing Authority.

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

The funds of the Housing Authority are classified as proprietary.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The general fund (the primary government) accounts for the transactions of the public housing low rent program, the capital fund program, public housing family self-sufficiency under ROSS, resident opportunities and self-sufficiency (ROSS) and the sub-management transactions with the Limited Partnerships.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets, all liabilities and all deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are federal grants received for operations, rent and maintenance charges to residents and sub-management fees received. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. INVESTMENTS Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Housing Authority reports at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

Definitions:

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

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

E. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits and short term investments with original maturities of 90 days or less from the date of acquisition. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. INVENTORY AND PREPAID ITEMS All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the consumption method.

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

G. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Straight line depreciation is used based on the following estimated useful lives:

Buildings	27.5 years
Building improvements	10 years
Equipment and furniture	3 – 10 years

H. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Most employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. However, the Executive Director is considered an unclassified employee with the Louisiana Civil Service and is able to obtain full balance of annual leave upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

I. RESTRICTED NET POSITION Net Position is reported as restricted when constraints placed on Net Position use are either:

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

It is the Housing Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

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

K. AMORTIZATION Convent Trace Development, L.P., a discretely presented component unit of the Housing Authority, amortizes its tax credit costs over the ten-year credit period using the straight-line method beginning in the first year in which the credits are taken. For the year ended December 31, 2019, accumulated amortization totaled \$1,290.

Central Crossing Development, L.P., a discretely presented component unit of the Housing Authority, amortizes its tax credit costs over the ten-year credit period using the straight-line method beginning in the first year in which the credits are taken. For the year ended December 31, 2019, accumulated amortization totaled \$3,117.

NOTE 2 - DEPOSITS AND INVESTMENTS At September 30, 2020, the Housing Authority has cash and cash equivalents of \$1,548,896 as follows:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk: At year end, the Housing Authority's carrying amount of deposits was \$1,548,896 (which includes restricted cash of \$28,958 for FSS escrow and \$42,852 for resident security deposits) and the bank balance was \$1,611,612. Of the bank balance, \$446,484 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name. The remaining balance of \$1,165,128 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3 Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. The Housing Authority's policy is to have deposits 100% collateralized at all times.

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

Credit Rate Risk: The Housing Authority's policy does not address credit rate risk.

The carrying amount of the deposits as of December 31, 2019 for Convent Trace Development, L.P., a discretely presented component unit of the Housing Authority, was \$34,087 in which \$18,794 was classified as cash and cash equivalents, \$15,293 classified as restricted deposits. As of December 31, 2019, there were no uninsured deposits. The restricted deposits of \$15,293 consisted of \$6,293 in tenant security deposits and \$9,000 in replacement reserve.

The carrying amount of the deposits as of December 31, 2019 for Central Crossing Development, L.P., a discretely presented component unit of the Housing Authority, was \$76,888 in which \$59,368 was classified as cash and cash equivalents and \$17,520 classified as restricted deposits. As of December 31, 2019, there were no uninsured deposits. The restricted deposits of \$17,520 consisted of \$9,787 in tenant security deposits and \$7,733 in replacement reserve.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

NOTE 3 - RECEIVABLES The receivables net of allowance for doubtful accounts for the primary government at September 30, 2020, are as follows:

<u>Class of Receivables</u>	<u>Amount</u>
Tenants, net of allowance of \$4367	\$ 12,255
Notes, net of allowance of \$8933	-
Fraud Recovery, net of allowance of \$8753	-
HUD	355,963
FEMA	34,604
Other	37,752
Total	<u><u>\$ 440,574</u></u>

Convent Trace Development, L.P. and Central Crossing Development, L.P., discretely presented component units of the Housing Authority, reported \$5,869 and \$4,515, respectively, in accounts receivable related to tenants as of the year ended December 31, 2019.

NOTE 4 - CAPITAL ASSETS The changes and balances at September 30, 2020 in capital assets for the primary government are as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Capital asset not being depreciated				
Land	\$ 439,459	\$ -	\$ -	\$ 439,459
Total capital assets not being depreciated	<u>439,459</u>	<u>-</u>	<u>-</u>	<u>439,459</u>
Capital assets being depreciated				
Buildings & improvements	12,699,041	255,595	-	12,954,636
Furniture and equipment	445,678	11,686	-	457,364
Total capital assets being depreciated	<u>13,144,719</u>	<u>267,281</u>	<u>-</u>	<u>13,412,000</u>
Less accumulated depreciation				
Buildings & improvements	11,538,504	347,730	-	11,886,234
Furniture and equipment	316,683	36,796	-	353,479
Total accumulated depreciation	<u>11,855,187</u>	<u>384,526</u>	<u>-</u>	<u>12,239,713</u>
Total capital assets being depreciated, net	<u>1,289,532</u>	<u>(117,245)</u>	<u>-</u>	<u>1,172,287</u>
Capital assets, net	<u><u>\$ 1,728,991</u></u>	<u><u>\$ (117,245)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,611,746</u></u>

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

The changes and balances at December 31, 2019 in capital assets for the discretely presented component units are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Capital asset not being depreciated				
Land	\$ 306,010	\$ 10	\$ -	\$ 306,020
Total capital assets not being depreciated	<u>306,010</u>	<u>10</u>	<u>-</u>	<u>306,020</u>
Capital assets being depreciated				
Buildings & improvements	9,143,922	202,157	-	9,346,079
Furniture and equipment	215,401	12,422	-	227,823
Total capital assets being depreciated	<u>9,359,323</u>	<u>214,579</u>	<u>-</u>	<u>9,573,902</u>
Less accumulated depreciation				
Total accumulated depreciation	<u>174,393</u>	<u>388,327</u>	<u>-</u>	<u>562,720</u>
Total capital assets being depreciated, net	<u>9,184,930</u>	<u>(173,748)</u>	<u>-</u>	<u>9,011,182</u>
Capital assets, net	<u>\$ 9,490,940</u>	<u>\$ (173,738)</u>	<u>\$ -</u>	<u>\$ 9,317,202</u>

NOTE 5 - RETIREMENT SYSTEM The Housing Authority participates in the Housing Renewal Local Agency Retirement Plan. The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 8.5 percent of each participant's basic (excludes overtime) compensation. The covered employee contributes 6 percent of basic compensation. The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority. There are no assets accumulated in a trust to pay for future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended September 30, 2020 was \$724,117. The Housing Authority's contributions were calculated using the base salary amount of \$534,062. The Housing Authority made the required contributions of \$45,395, which was recognized as expense for the fiscal year. The covered employees made the required contributions of \$31,272 for the year ended September 30, 2020. The Housing Authority reported \$0 in forfeitures for the fiscal year ended September 30, 2020.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

NOTE 6 - ACCOUNTS AND OTHER PAYABLES The account payables balances for the primary government at September 30, 2020, are as follows:

	<u>Amount</u>
Vendors	\$ 2,049
Payroll related liabilities	21,342
Resident council	28,314
Utilities	4,506
Total	\$ 56,211

The account payables balances for the discretely presented component units at December 31, 2019, are as follows:

	<u>Amount</u>
Vendors	\$ 29,509

NOTE 7 - COMPENSATED ABSENCES At September 30, 2020, employees of the Housing Authority have accumulated and vested \$139,959 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made.

NOTE 8 - LONG TERM OBLIGATIONS The following is a summary of the long-term obligation transactions and balances for the primary government for the year ended September 30, 2020:

	<u>Notes Payable - AHP</u>	<u>Compensated Absences</u>
Balance, Beginning	\$ 462,000	\$ 115,814
Additions	-	44,474
Deductions	-	20,329
Balance, Ending	462,000	139,959
Amount Due in One Year	\$ -	\$ 44,474

The following is a summary of the long-term obligation transactions and balances for the discretely presented component units for the year ended December 31, 2019:

	<u>Construction Loan / Mortgage Payable</u>	<u>CDBG Loan Payable</u>	<u>Notes Payable to Primary Government</u>
Balance, Beginning	\$ 4,678,583	\$ 302,494	\$ 1,530,010
Additions	1,600,000	297,506	286,990
Deductions	4,679,307	-	-
Balance, Ending	1,599,276	600,000	1,817,000
Amount Due in One Year	\$ 20,274	\$ -	\$ -

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

Construction Loan / Mortgage Payable:

On November 1, 2017, the CTDLP component unit entered into a construction loan agreement with Home Federal Bank. Proceeds from the note were used to pay construction costs of the property. The amount available to draw is \$2,500,000 at an interest rate of 5.0% per annum and is secured by a mortgage on the rental property. The maturity date is March 1, 2019 at which it will convert into permanent financing. In November 2019, the construction loan was converted to permanent financing.

On September 1, 2019, the CTDLP component unit entered into a loan agreement with HOME Federal Bank for a mortgage in the amount of \$720,000 at an interest rate of 5.68% per annum with monthly principal and interest payments of \$4,208 commencing on January 1, 2020 with a maturity date of December 1, 2036.

On January 1, 2018, the CCDLP component unit entered into a construction loan agreement with Home Federal Bank. Proceeds from the note were used to pay construction costs of the property. The amount available to draw is \$3,500,000 at an interest rate of 5.0% per annum and is secured by a mortgage on the rental property. The maturity date is July 1, 2019 at which it will convert into permanent financing. In November 2019, the construction loan was converted to permanent financing.

On November 1, 2019, the CCDLP component unit entered into a loan agreement with HOME Federal Bank for a mortgage in the amount of \$880,000 at an interest rate of 5.68% per annum with monthly principal and interest payments of \$5,143 commencing on January 1, 2020 with a maturity date of December 1, 2036.

CDBG Loan Payable:

On January 1, 2018, the CCDLP component unit entered into a loan agreement with The Louisiana Housing Corporation (LHC). LHC granted the funds to CCDLP through the Community Development Block Grant (CDBG) Program. Proceeds from the note were used to pay construction costs of the property. The amount available to draw is \$600,000 at an interest rate of 2.0% per annum and is secured by the same mortgage and security agreement on the rental property. The maturity date is January 25, 2053 and annual payments of principal and interest are paid from surplus cash commencing on April 1, 2026.

Notes Payable to Primary Government:

On November 1, 2017, the CTDLP component unit entered into a promissory note and loan agreement with the Housing Authority of the Parish of St. James (the primary government) to finance the acquisition of the property's existing building and the land it resides on. The principal balance is \$700,000 at an interest rate of 2.6% per annum and is secured by a mortgage and security agreement on the rental property. The maturity date is November 1, 2057 and payments are made from the net cash flow as defined by the agreement.

On January 25, 2018, the CCDLP component unit entered into a promissory note and loan agreement with the Housing Authority of the Parish of St. James (the primary government) to finance the acquisition of the property's existing building and the land it resides on. The principal balance is \$655,000 at an interest rate of 2.64% per annum and is secured by a mortgage and security agreement on the rental property. The maturity date is January 25, 2058 and payments are made from the net cash flow as defined by the agreement.

The primary government has reported a corresponding notes receivable from the component unit for these transactions.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

AHP Payable to Primary Government:

In 2016, the Housing Authority of the Parish of St. James was awarded two conditional grants under the Affordable Housing Program (AHP) for Convent Trace project of \$210,000 and for Central Crossing project of \$252,000. These funds are funded through the Federal Home Loan Bank of Dallas. The period of compliance with these grants are 15 years from the date of issuance of the projects' certificate of occupancy. As the Sponsor, the Housing Authority would be required to pay back the grant if the projects do not stay in conformity of the agreement. The Housing Authority has recorded a notes payable of \$462,000 for these transactions.

On August 22, 2017, the CTDLP component unit entered into a promissory note and loan agreement with the Housing Authority for the AHP funds to finance a portion of the property development and rehabilitation. The principal balance is up to \$210,000 at an interest rate of 2.58% per annum and is secured by a mortgage and security agreement on the rental property. The maturity date is September 30, 2057. No payments shall be due until maturity date, at which time all unpaid interest and principal shall be due in full.

On January 25, 2018, the CCDLP component unit entered into a promissory note and loan agreement with the Housing Authority for the AHP funds to finance a portion of the property development and rehabilitation. The principal balance is up to \$252,000 at an interest rate of 2.59% per annum and is secured by a mortgage and security agreement on the rental property. The maturity date is January 25, 2058. No payments shall be due until maturity date, at which time all unpaid interest and principal shall be due in full.

The primary government has reported a corresponding notes receivable from the component unit for these transactions.

NOTE 9 - SUBMANAGEMENT AGREEMENTS On November 8, 2017, the Housing Authority had entered into a sub-management agreement with CTDLP component unit, in which the Housing Authority acts as the sub-manager for the property. The sub-manager manages the day-to-day operations of the property and supports the manager that maintains and operations the property. Based on the agreement, the Housing Authority receives a management fee of \$38,000 per year and an additional \$3,829 per year.

On January 25, 2018, the Housing Authority had entered into a sub-management agreement with CCDLP component unit, in which the Housing Authority acts as the sub-manager for the property. The sub-manager manages the day-to-day operations of the property and supports the manager that maintains and operations the property. Based on the agreement, the Housing Authority receives a management fee of \$65,000 per year and an additional \$4,913 per year.

During the fiscal year ended September 30, 2020, the Housing Authority received \$130,280 from the discretely presented component units in accordance to the sub-management agreements.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in any litigation.

Grant Disallowances The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants.

Housing Authority of the Parish of St. James
Notes to the Financial Statements
September 30, 2020

NOTE 11 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance. The amounts of insurance settlements have not exceeded insurance coverage for any of the past three years.

NOTE 12 - ECONOMIC DEPENDENCY The Housing Authority is economically dependent on the funding provided by the U. S. Department of Housing and Urban Development. The U. S. Department of Housing and Urban Development provided \$1,537,551 to the Housing Authority, which represents approximately 60% of the Housing Authority's total revenue for the year.

NOTE 13 - DUE TO/FROM DISCRETELY PRESENTED COMPONENT UNITS The difference in the amounts due to and from the discretely presented component units are due to the fact that the component unit is presented as of December 31, 2019 and the Housing Authority's year end is September 30, 2020. The receivable/payable is a result of the developments acquired in the RAD conversion from the Housing Authority that has not been yet been reimbursed.

NOTE 14 - SUBSEQUENT EVENTS On May 11, 2021, the Housing Authority received notification from HUD of a Capital Fund grant award in the amount of \$1 million for Lead-based Paint Project.

On August 29, 2021, Hurricane Ida caused extensive damage across southeast Louisiana, which included St. James Parish. At time of the storm, the Parish officials did not issue a mandatory evacuation, even though it was evident the storm would pass directly over the parish. Therefore, many of the Housing Authority's residents decided to ride out the storm since there has never been storm damage in this area before. Immediately after the storm, 85 residents had to vacate because their units were not habitable, in which the Fire Marshall ordered cease and desist for these units.

Additionally, due to the Housing Authority's units not having electricity for over 3 weeks, this created a major problem where mildew and mold was spreading and growing in the units. Because of residents not evacuating the area at the time of the storm, the mitigation efforts by the Housing Authority had become extremely difficult. The Housing Authority has been working with FEMA and HUD officials in relocating residents. Those families who are unable to return to their units have been offered Housing Choice Vouchers from another Housing Authority in Wisconsin as well as the St. James Housing Authority is partnering with the Baton Rouge Housing Authority to administer the vouchers. Approximately, 80 families have applied for and are waiting to receive the vouchers to locate housing while the units are being repaired. However, due to the limited housing in St. James Parish, many families will have to seek housing outside of the parish.

The Housing Authority has received the maximum of \$250,000 from insurance claims. Additionally, Project applications have been submitted to FEMA and these applications are working through approval to obligate the funds needed to begin the repair work necessary to return the families to their units or to occupancy if the families choose to remain where they have relocated. FEMA will cover eligible costs up to 100% for emergency work covered through October 10, 2021. Permanent work will be covered at 90/10 and the Housing Authority will seek to use a combination of operating reserves, capital funds to cover the 10% and/or upfront costs. Furthermore, the Housing Authority is also expecting to receive funds from the operating reserve lawsuit filed as well as possible use of some of the business activity nonfederal funds if determined necessary.

Housing Authority of the Parish of St. James

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SUPPLEMENTARY INFORMATION

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

**Schedule of Compensation, Benefits and Other Payments to Agency Head
September 30, 2020**

Agency Head Name: Dana S. Groover, Executive Director

Purpose	Amount
Salary	\$138,185
Benefits-insurance	7,828
Benefits-retirement, including social security and medicare	16,043
Deferred compensation plan	1,875
Cell phone	-
Car allowance	-
Vehicle provided by government	145
Per diem	300
Dues	-
Reimbursements	2,166
Registration fees	650
Conference Travel	588

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

**Compensation Paid Board Members
September 30, 2020**

The members of the Board of Commissioners serve without compensation. The members of the Board of Commissioners are as follows:

Florian Oubre, Chairman

Lameka Williams-Gaines

Leo McQueen

Adam Koenig, Vice Chairman

Youlander Williams

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

**Financial Data Schedule
As of and For the Year Ended September 30, 2020**

Submission Type: Audited/Single Audit

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	14.877 Public Housing Family Self- Sufficiency under ROSS	97.036 Disaster Grants - Presidentially Declared Disasters
111 Cash - Unrestricted	\$1,034,385	\$0	\$248,505	\$0	\$0
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$28,958	\$0	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$42,852	\$0	\$0	\$0	\$0
100 Total Cash	\$1,106,195	\$0	\$248,505	\$0	\$0
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$246,676	\$64,766	\$0	\$29,109	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$34,604
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$37,752	\$0	\$0
126 Accounts Receivable - Tenants	\$16,622	\$0	\$0	\$0	\$0
126.1 Allowance for Doubtful Accounts - Tenants	-\$4,367	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	-\$8,933	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$8,933	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$8,753	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	-\$8,753	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$258,931	\$64,766	\$37,752	\$29,109	\$34,604
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$49,614	\$0	\$0	\$0	\$0
143 Inventories	\$10,273	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	-\$1,027	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$150,198	\$0	\$0	\$0	\$0
150 Total Current Assets	\$1,574,184	\$64,766	\$286,257	\$29,109	\$34,604
161 Land	\$439,459	\$0	\$0	\$0	\$0
162 Buildings	\$12,954,636	\$0	\$0	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$457,364	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$12,239,713	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated	\$1,611,746	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-	\$0	\$0	\$1,817,010	\$0	\$0
174 Other Assets	\$0	\$0	\$107,336	\$0	\$0
180 Total Non-Current Assets	\$1,611,746	\$0	\$1,924,346	\$0	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$3,185,930	\$64,766	\$2,210,603	\$29,109	\$34,604

14.870 Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	Subtotal	ELIM	Total
\$0	\$78,162	\$194,196	\$1,555,248		\$1,555,248
\$0	\$0	\$0	\$0		\$0
\$0	\$16,733	\$0	\$45,691		\$45,691
\$0	\$16,080	\$0	\$58,932		\$58,932
\$0	\$110,975	\$194,196	\$1,659,871	\$0	\$1,659,871
\$0	\$0	\$0	\$0		\$0
\$15,412	\$0	\$0	\$355,963		\$355,963
\$0	\$0	\$0	\$34,604		\$34,604
\$0	\$4,178	\$0	\$41,930		\$41,930
\$0	\$6,206	\$0	\$22,828		\$22,828
\$0	\$0	\$0	-\$4,367		-\$4,367
\$0	\$0	\$0	-\$8,933		-\$8,933
\$0	\$0	\$0	\$8,933		\$8,933
\$0	\$0	\$0	\$8,753		\$8,753
\$0	\$0	\$0	-\$8,753		-\$8,753
\$0	\$0	\$0	\$0		\$0
\$15,412	\$10,384	\$0	\$450,958	\$0	\$450,958
\$0	\$0	\$0	\$0		\$0
\$0	\$13,319	\$0	\$62,933		\$62,933
\$0	\$0	\$0	\$10,273		\$10,273
\$0	\$0	\$0	-\$1,027		-\$1,027
\$0	\$0	\$0	\$150,198	-\$150,198	\$0
\$15,412	\$134,678	\$194,196	\$2,333,206	-\$150,198	\$2,183,008
\$0	\$306,020	\$0	\$745,479		\$745,479
\$0	\$9,346,079	\$0	\$22,300,715		\$22,300,715
\$0	\$0	\$0	\$0		\$0
\$0	\$227,823	\$0	\$685,187		\$685,187
\$0	-\$562,720	\$0	-\$12,802,433		-\$12,802,433
\$0	\$9,317,202	\$0	\$10,928,948	\$0	\$10,928,948
\$0	\$0	\$0	\$1,817,010		\$1,817,010
\$0	\$82,325	\$0	\$189,661		\$189,661
\$0	\$9,399,527	\$0	\$12,935,619	\$0	\$12,935,619
\$0	\$0	\$0	\$0	\$0	\$0
\$15,412	\$9,534,205	\$194,196	\$15,268,825	-\$150,198	\$15,118,627

(Continued)

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

**Financial Data Schedule
As of and For the Year Ended September 30, 2020**

Submission Type: Audited/Single Audit

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	14.877 Public Housing Family Self- Sufficiency under ROSS	97.036 Disaster Grants - Presidentially Declared Disasters
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$1,230	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$18,087	\$0	\$0	\$1,877	\$0
322 Accrued Compensated Absences - Current Portion	\$44,474	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$42,852	\$0	\$0	\$0	\$0
342 Unearned Revenue	\$3,636	\$0	\$0	\$0	\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$819	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$32,820	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$64,766	\$9,562	\$27,232	\$34,604
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$143,918	\$64,766	\$9,562	\$29,109	\$34,604
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$28,958	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$95,485	\$0	\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$462,000	\$0	\$0
350 Total Non-Current Liabilities	\$124,443	\$0	\$462,000	\$0	\$0
300 Total Liabilities	\$268,361	\$64,766	\$471,562	\$29,109	\$34,604
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$1,611,746	\$0	\$0	\$0	\$0
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$1,305,823	\$0	\$1,739,041	\$0	\$0
513 Total Equity - Net Assets / Position	\$2,917,569	\$0	\$1,739,041	\$0	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,185,930	\$64,766	\$2,210,603	\$29,109	\$34,604

14.870 Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	Subtotal	ELIM	Total
\$0	\$0	\$0	\$0		\$0
\$0	\$29,509	\$0	\$30,739		\$30,739
\$1,378	\$0	\$0	\$21,342		\$21,342
\$0	\$0	\$0	\$44,474		\$44,474
\$0	\$7,819	\$0	\$7,819		\$7,819
\$0	\$16,080	\$0	\$58,932		\$58,932
\$0	\$4,985	\$0	\$8,621		\$8,621
\$0	\$20,274	\$0	\$20,274		\$20,274
\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$819		\$819
\$0	\$21,936	\$0	\$54,756		\$54,756
\$14,034	\$0	\$0	\$150,198	-\$150,198	\$0
\$0	\$0	\$0	\$0		\$0
\$15,412	\$100,603	\$0	\$397,974	-\$150,198	\$247,776
\$0	\$3,996,002	\$0	\$3,996,002		\$3,996,002
\$0	\$0	\$0	\$0		\$0
\$0	\$430,904	\$0	\$459,862		\$459,862
\$0	\$0	\$0	\$95,485		\$95,485
\$0	\$0	\$0	\$462,000		\$462,000
\$0	\$4,426,906	\$0	\$5,013,349	\$0	\$5,013,349
\$15,412	\$4,527,509	\$0	\$5,411,323	-\$150,198	\$5,261,125
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$5,300,926	\$0	\$6,912,672		\$6,912,672
\$0	\$0	\$0	\$0		\$0
\$0	-\$294,230	\$194,196	\$2,944,830		\$2,944,830
\$0	\$5,006,696	\$194,196	\$9,857,502	\$0	\$9,857,502
\$15,412	\$9,534,205	\$194,196	\$15,268,825	-\$150,198	\$15,118,627

(Continued)

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

**Financial Data Schedule
As of and For the Year Ended September 30, 2020**

Submission Type: Audited/Single Audit

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	14.877 Public Housing Family Self- Sufficiency under ROSS	97.036 Disaster Grants - Presidentially Declared Disasters
70300 Net Tenant Rental Revenue	\$594,137	\$0	\$0	\$0	\$0
70400 Tenant Revenue - Other	\$41,665	\$0	\$0	\$0	\$0
70500 Total Tenant Revenue	\$635,802	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$1,101,816	\$64,766	\$0	\$78,672	\$0
70610 Capital Grants	\$244,466				
70750 Other Fees			\$130,280		
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$34,604
71100 Investment Income - Unrestricted	\$565	\$0	\$124	\$0	\$0
71200 Mortgage Interest Income	\$0	\$0	\$31,968	\$0	\$0
71400 Fraud Recovery	\$556	\$0	\$0	\$0	\$0
71500 Other Revenue	\$44,747	\$0	\$0	\$0	\$0
70000 Total Revenue	\$2,027,952	\$64,766	\$162,372	\$78,672	\$34,604
91100 Administrative Salaries	\$284,154	\$0	\$46,418	\$0	\$0
91200 Auditing Fees	\$27,125	\$0	\$0	\$0	\$0
91300 Management Fee	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$609	\$0	\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$84,786	\$0	\$10,686	\$0	\$0
91600 Office Expenses	\$64,071	\$23,891	\$1,316	\$4,479	\$0
91700 Legal Expense	\$5,011	\$0	\$0	\$0	\$0
91800 Travel	\$3,100	\$0	\$0	\$0	\$0
91900 Other	\$113,487	\$0	\$6,840	\$0	\$0
91000 Total Operating - Administrative	\$582,343	\$23,891	\$65,260	\$4,479	\$0
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$48,642	\$0	\$16,772	\$48,830	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$18,239	\$0	\$3,861	\$18,195	\$0
92400 Tenant Services - Other	\$19,855	\$0	\$0	\$0	\$34,604
92500 Total Tenant Services	\$86,736	\$0	\$20,633	\$67,025	\$34,604
93100 Water	\$3,492	\$0	\$0	\$0	\$0
93200 Electricity	\$51,172	\$0	\$0	\$0	\$0
93300 Gas	\$1,097	\$0	\$0	\$0	\$0
93600 Sewer	\$65,393	\$0	\$0	\$0	\$0
93000 Total Utilities	\$121,154	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$161,393	\$0	\$20,622	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials	\$129,793	\$0	\$0	\$0	\$0
94300 Ordinary Maintenance and Operations Contracts	\$180,878	\$18,060	\$0	\$0	\$0
94500 Employee Benefit Contributions - Ordinary	\$57,822	\$0	\$4,747	\$0	\$0
94000 Total Maintenance	\$529,886	\$18,060	\$25,369	\$0	\$0

Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	Subtotal	ELIM	Total
\$0	\$449,162	\$0	\$1,043,299		\$1,043,299
\$0	\$4,985	\$0	\$46,650		\$46,650
\$0	\$454,147	\$0	\$1,089,949	\$0	\$1,089,949
\$47,831	\$0	\$0	\$1,293,085		\$1,293,085
	\$4,551,783		\$4,796,249		\$4,796,249
			\$130,280		\$130,280
			\$0	\$0	\$0
\$0	\$0	\$0	\$34,604		\$34,604
\$0	\$0	\$0	\$689		\$689
\$0	\$0	\$0	\$31,968		\$31,968
\$0	\$0	\$0	\$556		\$556
\$0	\$1,996	\$149,452	\$196,195		\$196,195
\$47,831	\$5,007,926	\$149,452	\$7,573,575	\$0	\$7,573,575
\$0	\$0	\$0	\$330,572		\$330,572
\$0	\$25,240	\$0	\$52,365		\$52,365
\$0	\$26,724	\$0	\$26,724		\$26,724
\$0	\$300	\$0	\$300		\$300
\$0	\$0	\$0	\$609		\$609
\$0	\$0	\$0	\$95,472		\$95,472
\$1,280	\$13,524	\$0	\$108,561		\$108,561
\$0	\$1,768	\$0	\$6,779		\$6,779
\$0	\$0	\$0	\$3,100		\$3,100
\$0	\$11,243	\$0	\$131,570		\$131,570
\$1,280	\$78,799	\$0	\$756,052	\$0	\$756,052
\$0	\$0	\$0	\$0		\$0
\$35,216	\$0	\$0	\$149,460		\$149,460
\$0	\$0	\$0	\$0		\$0
\$9,279	\$0	\$0	\$49,574		\$49,574
\$0	\$0	\$0	\$54,459		\$54,459
\$44,495	\$0	\$0	\$253,493	\$0	\$253,493
\$0	\$1,957	\$0	\$5,449		\$5,449
\$0	\$20,390	\$0	\$71,562		\$71,562
\$0	\$0	\$0	\$1,097		\$1,097
\$0	\$16,037	\$0	\$81,430		\$81,430
\$0	\$38,384	\$0	\$159,538	\$0	\$159,538
\$0	\$0	\$0	\$182,015		\$182,015
\$0	\$2,136	\$0	\$131,929		\$131,929
\$0	\$77,951	\$0	\$276,889		\$276,889
\$0	\$0	\$0	\$62,569		\$62,569
\$0	\$80,087	\$0	\$653,402	\$0	\$653,402

(Continued)

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

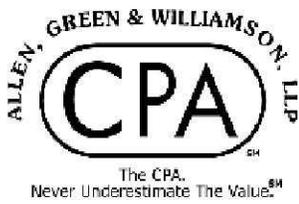
**Financial Data Schedule
As of and For the Year Ended September 30, 2020**

Submission Type: Audited/Single Audit

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	14.877 Public Housing Family Self- Sufficiency under ROSS	97.036 Disaster Grants - Presidentially Declared Disasters
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$159,747	\$0	\$0	\$0	\$0
96120 Liability Insurance	\$22,909	\$0	\$0	\$0	\$0
96130 Workmen's Compensation	\$22,095	\$0	\$0	\$0	\$0
96140 All Other Insurance	\$60,516	\$0	\$0	\$0	\$0
96100 Total insurance Premiums	\$265,267	\$0	\$0	\$0	\$0
96200 Other General Expenses	\$13,790	\$0	\$0	\$0	\$0
96210 Compensated Absences	\$79,724	\$0	\$0	\$7,168	\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$18,821	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$112,335	\$0	\$0	\$7,168	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,697,721	\$41,951	\$111,262	\$78,672	\$34,604
97000 Excess of Operating Revenue over Operating	\$330,231	\$22,815	\$51,110	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$384,526	\$0	\$0	\$0	\$0
90000 Total Expenses	\$2,082,247	\$41,951	\$111,262	\$78,672	\$34,604
10010 Operating Transfer In	\$208,992		\$0	\$0	\$0
10020 Operating transfer Out	-\$208,992	\$0	\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0				
10092 Inter Project Excess Cash Transfer Out	\$0				
10093 Transfers between Program and Project - In	\$22,815	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	-\$22,815	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$22,815	-\$22,815	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over	-\$31,480	\$0	\$51,110	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$2,949,049	\$0	\$1,687,931	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$0	\$0	\$0	\$0
11190 Unit Months Available	3012	0	0	0	0
11210 Number of Unit Months Leased	2984	0	0	0	0
11270 Excess Cash	\$1,200,972				
11610 Land Purchases	\$0				
11620 Building Purchases	\$244,466				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$0				

Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	Subtotal	ELIM	Total
\$0	\$0	\$0	\$0		\$0
\$0	\$1,585	\$0	\$1,585		\$1,585
\$0	\$1,585	\$0	\$1,585	\$0	\$1,585
\$0	\$30,925	\$0	\$190,672		\$190,672
\$0	\$0	\$0	\$22,909		\$22,909
\$0	\$519	\$0	\$22,614		\$22,614
\$0	\$1,074	\$0	\$61,590		\$61,590
\$0	\$32,518	\$0	\$297,785	\$0	\$297,785
\$0	\$145,856	\$0	\$159,646		\$159,646
\$2,056	\$0	\$0	\$88,948		\$88,948
\$0	\$0	\$0	\$0		\$0
\$0	\$4,545	\$0	\$23,366		\$23,366
\$2,056	\$150,401	\$0	\$271,960	\$0	\$271,960
\$0	\$241,338	\$0	\$241,338		\$241,338
\$0	\$0	\$0	\$0		\$0
\$0	\$241,338	\$0	\$241,338	\$0	\$241,338
\$47,831	\$623,112	\$0	\$2,635,153	\$0	\$2,635,153
\$0	\$4,384,814	\$149,452	\$4,938,422	\$0	\$4,938,422
\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$0		\$0
\$0	\$392,734	\$0	\$777,260		\$777,260
\$47,831	\$1,015,846	\$0	\$3,412,413	\$0	\$3,412,413
\$0	\$0	\$0	\$208,992	-\$208,992	\$0
\$0	\$0	\$0	-\$208,992	\$208,992	\$0
\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$0		\$0
\$0	\$0	\$0	\$22,815	-\$22,815	\$0
\$0	\$0	\$0	-\$22,815	\$22,815	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$3,992,080	\$149,452	\$4,161,162	\$0	\$4,161,162
\$0	\$4,658,309	\$0	\$4,658,309		\$4,658,309
\$0	\$1,014,616	\$44,744	\$5,696,340		\$5,696,340
\$0	\$0	\$0	\$0		\$0
0	768	0	3780		3780
0	763	0	3747		3747
			\$1,200,972		\$1,200,972
			\$0		\$0
			\$244,466		\$244,466
			\$0		\$0
			\$0		\$0

(Concluded)



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Principal: Cindy Thomason, CPA

Audit Managers: Margie Williamson, CPA
Jennie Henry, CPA, CFE

In-Charges: Crystal Patterson, CPA
Mallory Stone, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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

Independent Auditor's Report

Board of Commissioners
Housing Authority of the Parish of St. James
Lutcher, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the Parish of St. James, as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the basic financial statements of the Housing Authority of the Parish of St. James and have issued our report thereon dated December 20, 2021. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the Housing Authority's financial statements. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant

deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

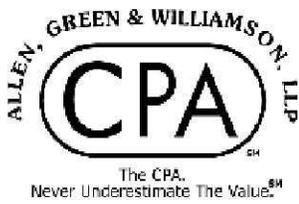
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

December 20, 2021



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

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Report on Compliance For Each Major Federal Program; And Report on Internal Control Over Compliance; Required by the Uniform Guidance

Independent Auditor's Report

Board of Commissioners
Housing Authority of the Parish of St. James
Lutcher, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the Parish of St. James' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended September 30, 2020. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The Housing Authority's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, that we consider to be a significant deficiency.

The Housing Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

December 20, 2021

**Housing Authority of the Parish of St. James
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020**

FEDERAL GRANTOR	<u>CFDA Number</u>	<u>Pass-through/ Grantor No.</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development			
Direct Programs:			
Public and Indian Housing			
Operating Subsidy	14.850	LA09200000119D, LA09200000218D, LA09200000119D, LA09200000219D	\$ 892,824
Operating Subsidy - CARES Act (COVID-19 funds)	14.PHC	LA09200000120DC, LA09200000220DC	<u>64,766</u>
Total Operating Subsidy			\$ 957,590
Public Housing Capital Fund Program	14.872	LA48P092501-16, LA48P092501-17, LA48P092501-18, LA48E092501-18,	453,458
Resident Opportunity and Supportive Services	14.870	ROSS191325	47,831
Public Housing Family Self Sufficiency	14.877	FSS18LA2337, FSS20LA3461	78,672
TOTAL FEDERAL AWARDS (Total Department of Housing and Urban Development)			<u><u>\$ 1,537,551</u></u>

The accompanying notes are an integral part of this schedule

Housing Authority of the Parish of St. James
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Housing Authority.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's financial statements. Such expenses are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

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

	<u>Amount</u>
Operating revenues - federal grants	\$ 1,327,689
Capital contributions	244,466
Total per Statement B	1,572,155
Less FEMA (see Note 4)	(34,604)
Total per Schedule of Expenditures of Federal Awards	\$ 1,537,551

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

During the fiscal year end September, 30, 2020, the Housing Authority had incurred \$34,604 in expenditures in response to the COVID-19 pandemic. These funds have been requested for reimbursement under the Federally Funded Public Assistance Grant, CFDA# 97.036, passed through the State of Louisiana, Governor's Office of Homeland Security and Emergency Preparedness. Although the request of reimbursement for these expenditures were under a public assistance funding agreement between the Housing Authority and the state of Louisiana, no formal approval was provided by the state as of fiscal year end. Therefore, these expenditures were not reported in the schedule of expenditures of federal awards based on the guidance provided in the OMB Compliance Supplement.

NOTE 5 - FEDERAL AWARDS For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. Federal awards do not include the Housing Authority operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

NOTE 6 - INDIRECT COST RATE The Housing Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Housing Authority of the Parish of St. James
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2020**

PART I - Summary of the Auditor's Results

Financial statement audit

- i. The type of audit report issued was unmodified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of federal awards

- iv. There was one significant deficiency required to be disclosed by the Uniform Guidance (2 CFR 200). The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed one audit finding which the auditor is required to report under accordance with 2 CFR 200.516(a).
- vii. The major federal programs are:

CFDA# 14.872	Capital Fund Program
--------------	----------------------
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in in the Uniform Guidance was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance.

**Housing Authority of the Parish of St. James
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2020**

Part III – Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance:

Reference # and title: **2020-001** **Test of Cash Management**

Federal program and specific federal award identification:	<u>CFDA Number</u>	<u>Award Years</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Capital Fund Program	14.872	2017

Criteria or specific requirement: The Housing Authority is required to minimize the elapsed time for transfer of funds for a federal program either through the advanced payment method or the reimbursement method (2 CFR section 200.305(b)). Under the advanced payment method, funds are received before disbursing funds for program purposes. The reimbursement payment method is the preferred method and has been used by the Housing Authority consistently.

Condition found: When testing five claims for reimbursement for cash management under the Capital Fund Program, it was noted that the Housing Authority inadvertently used the wrong supporting documentation when drawing down capital funds for one of the claims. Although this caused the Housing Authority to over request monies at the time of the error, the Housing Authority fully spent these funds before fiscal year end.

Context: The finding is considered to be an isolated instance.

Possible asserted effect (cause effect):

Cause: The Housing Authority requested expenses from November 2019 twice.

Effect: The Housing requested more funds than what it had expensed, which resulted in the Housing Authority to not be meet all cash management requirements.

Recommendations to prevent future occurrences: The Housing Authority should strengthen their controls over submitting requests for funds.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended September 30, 2020.

View of responsible official: This was a one-time mistake or oversight and as noted in the condition statement, the incorrect back-up was used to support a second draw. The first error made by the PHA was not an error due to using the incorrect support, but the responsible official discovered after reviewing the documents prior to placing them in the file that there was an error in the budget line item for the requested draw. To avoid a program violation for drawing funds from the incorrect BLI, our HUD field office was immediately contacted to secure guidance as to how to make the correction, and the steps were completed. The draw in question, was again an oversight that had not happened in the 19 years of using the same procedures, in the same way. There were eligible expenses from PH operations that qualified to cover the draw, but the error was not addressed. Our Fee Accountant did bring the overage to the responsible official's attention in January 2020 and responsible official requested immediate notice by email when there is a discrepancy in the CFP grants BLI's as an additional control.



Summary of Prior Year Audit Findings and Questioned Costs For the Year Ended September 30, 2019

Reference # and title: 2019-001 Procurement

Entity-Wide or program/department specific: This finding is entity-wide.

Condition: The Louisiana Revised Statute 38:2212.1 requires that all purchased of material and supplies that exceed \$30,000 to be bid out and properly advertised in the Housing Authority's official journal at least two times and for fifteen days before bid opening.

When testing four purchased to determine if the Housing Authority purchased in accordance with State bid law, it was noted that one purchase for materials and supplies that exceeded \$30,000 was not properly advertised and bid out. Although it was not bid, the Housing Authority did obtain quotes.

Corrective action taken: The Procurement Policy was updated in 2019 and the extensive checklist/worksheet that is used to cover all areas of procurement was not updated with the new federal and specifying the state limits for supplies when this purchase was finalized. This was an isolated event and this finding is considered cleared.

Reference # and title: 2019-002 Test of Resident Files

Table with 3 columns: Federal program and specific federal award identification, CFDA Number, Award Years. Row 1: FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME, United States Department of Housing and Urban Development Capital Fund Program, 14.850, 2018and2019

Condition: The Housing Authority must re-examine family income and composition at least once every 12 months and adjust the total rent as necessary according to 24 CFR sections 5.617 and 960.209. Changes in the rent calculation resulting from the re-examination should be reflected in the rental register. Each time the Housing Authority has an admission or re-examination, they are required to submit HUD form 50058 electronically to HUD. The resident files must contain the Form 50058 as well as the following pertinent information: social security cards, birth certificates, (or valid documentation of birth dates) and third party verifications of income, child care expenses and medical expenses.

When testing twenty-five resident files, it was noted that two files had exceptions in which the 50058 income in regards to child support did not agree to supporting documentation. In both instances, the tenant would have paid less in rent than calculated.

Corrective action taken: Quality control of resident files completed was increased with a required review of all actions prior to completion of the 50058. A processing checklist was required for processing and ease of supervisory review to attempt to reduce these types of clerical errors. This finding is considered to be cleared.

Respectfully submitted,

Executive Director



St. James Parish Housing Authority

2627 N. King Avenue · P.O. Box 280 · Lutcher, LA 70071-0280
225-869-3278 phone · 225-869-8552 fax

**Corrective Action Plan for Current Year Findings and Questioned Costs
For the Year Ended September 30, 2020**

Reference # and title: 2020-001 Test of Cash Management

<u>Federal program and specific federal award identification:</u>	<u>CFDA Number</u>	<u>Award Years</u>
FEDERAL GRANTER/ PASS THROUGH GRANTOR/PROGRAM NAME United States Department of Housing and Urban Development Capital Fund Program	14.872	2017

Condition: The Housing Authority is required to minimize the elapsed time for transfer of funds for a federal program either through the advanced payment method or the reimbursement method (2 CFR section 200.305(b)). Under the advanced payment method, funds are received before disbursing funds for program purposes. The reimbursement payment method is the preferred method and has been used by the Housing Authority consistently.

When testing five claims for reimbursement for cash management under the Capital Fund Program, it was noted that the Housing Authority inadvertently used the wrong supporting documentation when drawing down capital funds for one of the claims. Although this caused the Housing Authority to over request monies at the time of the error, the Housing Authority has fully spent these funds before fiscal year end.

Corrective action plan: An additional accounting employee was in the process of securing access to the HUD’s eloccs system to add another internal control step prior to this review in May 2021. The employee, once approved and provided with access by HUD will submit the draw down requests and the Executive Director will be required to approve them. This will permit the Executive Director to oversee the draw down process versus direct entry. Since the condition was an isolated incident, this is not an admission that there is a need to adjust the procedures as are currently in place but will assist in the overall process of ensuring the agency remains in compliance and strengthening the internal controls of this process.

Person responsible for corrective action plan:

Dana Groover, Executive Director	Telephone:	225-869-3278
P O Box 208	Fax:	225-869-8552
Lutcher, LA 70071	Email:	dgroover@stjameshousing.com

Anticipated completion date: 12/31/2021

Respectfully submitted,

Executive Director