



St. James Parish Housing Authority

Financial Statements & Independent Auditors' Report

For the Year Ended September 30, 2021

SM&Co

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Smith Marion & Co. · Certified Public Accountants

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Board of Commissioners

St. James Parish Housing Authority

Lutcher, LA

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of business-type activities and aggregated discretely presented component units of St. James Parish Housing Authority as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise St. James Parish 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 misstatements, 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 discretely presented component units, which represent 100 percent, 100 percent, and 100 percent, respectively of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for discretely presented component units, is based solely on the report of those 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 statement. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregated discretely presented component units of the St. James Parish Housing Authority, as of September 30, 2021, and the respective change in financial position and cash flows thereof for the year then ended in accordance with the 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 on pages i-viii 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. James Parish Housing Authority’ financial statements. The schedules listed on table of contents in supplementary information and Schedule of Expenditures of Federal Awards, required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022 on our consideration of the SJPHA’ internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 St. James Parish 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 St. James Parish Housing Authority’s internal control over financial reporting and compliance.

June 14, 2022

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2021

Management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position for the fiscal year ended September 30, 2021. Please read it in conjunction with the Authority's financial statements.

Overview of the financial statements

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Authority's accounting records are structured as an enterprise fund with revenues recognized when earned, rather than when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. The accounting for enterprise funds is similar to the accounting used by businesses. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

Following the MD&A are the basic financial statements of the Authority together with notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The **Statement of Net Position** presents information similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The statement is presented in the format where assets, minus liabilities, equal net position. Assets and liabilities are presented in order of liquidity and are classified as current and non-current.

Net position is reported in three broad categories:

Net Investment in Capital Assets: This component 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 consists of assets that are constrained by limitations placed on their use by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: This component consists of assets that are not restricted and do not meet the definition of Net investment in Capital Assets.

The **Statement of Revenues, Expenses, and Changes in Net Position** presents information showing how the Authority's net position changed during the year. This statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as grant revenue, investment income, interest expense, and gains or losses from the sale or disposition of capital assets. The focus of the statement is the change in Net Position, which is similar to net income or loss for a business entity.

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2021

The **Statement of Cash Flows** reports net cash provided by or used by operating activities, non-capital financing activities, capital and related financing activities and investing activities.

The **Notes to Financial Statements** provide additional information that is essential to a full understanding of the information included in the financial statements.

In addition to the basic financial statements and accompanying notes, this report includes two types of supplementary information: required supplementary information and other supplementary information. Required supplementary information must be included to conform to generally accepted accounting principles. Management's discussion and analysis is the required supplementary information.

Other supplementary information is not required by generally accepted accounting principles but is presented for additional analysis purposes or to meet other requirements. The financial data schedule is required by the U.S. Department of Housing and Urban Development (HUD). The schedule of expenditures of federal awards is required by the U.S. Office of Management and Budget and the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Program information

Low Income 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.

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2021

Financial position and analysis

Table 1 compares the Authority's financial position for the fiscal years ended September 30, 2021, and 2020:

	2021	2020	Increase (Decrease)	Percent Variance
Assets				
Current assets	\$ 2,438,417	\$ 1,976,520	\$ 461,897	23.37%
Restricted assets	65,416	71,810	(6,394)	-8.90%
Capital assets, net	1,944,847	1,611,746	333,101	20.67%
Other noncurrent assets	1,971,783	1,924,346	47,437	2.47%
Total assets	<u>\$ 6,420,463</u>	<u>\$ 5,584,422</u>	<u>\$ 836,041</u>	<u>14.97%</u>
Liabilities				
Current liabilities	\$ 163,381	\$ 104,321	\$ 59,060	56.61%
Long-term debt	44,201	42,852	1,349	3.15%
Other noncurrent liabilities	582,660	586,443	(3,783)	-0.65%
Total liabilities	790,242	733,616	56,626	7.72%
Net position				
Net investment in capital assets	1,944,847	1,611,746	333,101	20.67%
Restricted net position	-	-	-	0.00%
Unrestricted net position	3,685,374	3,239,060	446,314	13.78%
Total net position	<u>5,630,221</u>	<u>4,850,806</u>	<u>779,415</u>	<u>16.07%</u>
Total liabilities and net position	<u>\$ 6,420,463</u>	<u>\$ 5,584,422</u>	<u>\$ 836,041</u>	<u>14.97%</u>

Current assets increased by \$461,897 or 23.37% primarily due to FEMA receivable recorded for expenses incurred as a result of Hurricane Ida. In addition to this receivable, cash increased due to Capital Fund money owed being received.

Capital assets, net increased by \$333,101 or 20.67% primarily due to fixed asset additions.

Current liabilities increased by \$59,060 or 56.61% primarily due to increase in accounts payable and accrued wages which is based on timing of payments for operating and salaries expenses.

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2021

Table 2 focuses on the changes in Net Position:

	2021	2020	Increase (Decrease)	Percent Variance
Operating revenue & expense				
Operating revenue	\$ 2,686,571	\$ 2,288,526	\$ 398,045	17.39%
Operating expenses	2,819,797	2,396,567	423,230	17.66%
Operating income	(133,226)	(108,041)	(25,185)	23.31%
Non-operating revenues & expenses	48,508	32,657	15,851	48.54%
Capital grants	864,133	244,466	619,667	253.48%
Increase (decrease) in net position	779,415	169,082	610,333	360.97%
Net position, beginning of year	4,850,806	4,681,724	169,082	3.61%
Prior period adjustments	-	-	-	0.00%
Net position, end of year	<u>\$ 5,630,221</u>	<u>\$ 4,850,806</u>	<u>\$ 779,415</u>	<u>16.07%</u>

Table 3 presents a summary of the Authority's revenue by source:

	2021	2020	Increase (Decrease)	Percent Variance
Operating revenue				
Tenant revenue	\$ 797,496	\$ 635,802	\$ 161,694	25.43%
HUD grants	1,744,200	1,327,689	416,511	31.37%
Other revenue	144,875	325,035	(180,160)	-55.43%
Total operating revenue	<u>2,686,571</u>	<u>2,288,526</u>	<u>398,045</u>	<u>17.39%</u>
Non-operating revenues				
Public housing capital fund	864,133	244,466	619,667	253.48%
Interest income	48,083	32,657	15,426	47.24%
Loss on disposal of fixed assets	425	-	425	-100.00%
Total non-operating revenues	<u>912,641</u>	<u>277,123</u>	<u>635,518</u>	<u>229.33%</u>
Total revenues	<u>\$ 3,599,212</u>	<u>\$ 2,565,649</u>	<u>\$ 1,033,563</u>	<u>40.28%</u>

Tenant Revenue increased by \$161,694 or 25.43%. Rent is based on 30% of tenant income and can vary from year to year.

HUD Grants increased by \$416,511 or 31.37% due to increased funding for LIPH Operating Subsidy from HUD, ROSS, FSS Grants, and FEMA funding.

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2021

Other Revenue decreased by \$180,160 or 55.43% due to a decrease in blended component unit revenue.

Public Housing Capital Fund increased by \$619,667 or 253.48% due to capital funds being used to make improvements.

Interest Income increased by \$15,426 or 47.24% due to mortgage interest income earned throughout the year.

Table 4 presents a summary of the Authority's operating expenses:

	2021	2020	Increase (Decrease)	Percent Variance
Administrative	\$ 661,801	\$ 677,253	\$ (15,452)	-2.28%
Tenant services	250,068	253,493	(3,425)	-1.35%
Utilities	122,578	121,154	1,424	1.18%
Maintenance	1,025,927	573,315	452,612	78.95%
General expense	383,504	386,826	(3,322)	-0.86%
Depreciation	375,919	384,526	(8,607)	-2.24%
 Total expenses	 <u>\$ 2,819,797</u>	 <u>\$ 2,396,567</u>	 <u>\$ 423,230</u>	 <u>17.66%</u>

Administrative expenses decreased by \$15,452 or 2.28% due to lower administrative salary charges for business activities.

Maintenance increased by \$452,612 or 78.95% primarily due to increased costs for maintenance materials as well as FEMA expenses incurred due to hurricane Ida.

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2021

Budgetary Analysis

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public Housing is adopted on the basis of accounting prescribed by HUD, which differs in some respects from generally accepted accounting principles. See the following tables.

Low Income Public Housing

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
Operating revenue				
Rental income	\$ 717,248	\$ 774,174	\$ 56,926	7.94%
Other Tenant Revenue	57,393	63,335	5,942	10.35%
Operating subsidy	1,025,500	1,158,598	133,098	12.98%
Capital funds	140,258	864,133	723,875	516.10%
Investment income	531	495	(36)	-6.78%
Fraud recovery	3,378	4,163	785	23.24%
Other income	44,854	31,088	(13,766)	-30.69%
Total revenue	1,989,162	2,895,986	906,824	45.59%
Expenses				
Administrative	627,993	622,006	5,987	0.95%
Tenant services	144,595	101,954	42,641	29.49%
Utilities	110,783	122,578	(11,795)	-10.65%
Maintenance	495,777	599,172	(103,395)	-20.86%
Insurance	248,411	240,249	8,162	3.29%
General expenses	96,366	120,466	(24,100)	-25.01%
Depreciation	-	375,919	(375,919)	-100.00%
Extraordinary Maintenance	-	46,026	(46,026)	-100.00%
Fraud Losses	-	52,050	(52,050)	-100.00%
Total expenses	1,723,925	2,280,420	(556,495)	-32.28%
Income (over)/under expense	\$ 265,237	\$ 615,566	\$ 350,329	132.08%

Rental Income revenue was over budget by \$56,926 or 7.94% due to higher than expected occupancy.

HUD Operating Subsidy revenue was over budget by \$133,098 or 12.98% due to greater than expected subsidy from proration.

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2021

Capital Funds revenue was over budget by \$723,875 or 516.10% due to drawdowns made for capital improvements.

Other Income was under budget by \$13,766 or 30.69% primarily due to the budgeted amount being based on an annualized estimation of the year-to-date balance as of May 2021.

Tenant Services was under budget by \$42,641 or 29.49%. This is due to lower than anticipated tenant salary expense.

Maintenance Expense was over budget by \$103,395 or 20.86%. This is primarily due to increased costs for maintenance materials.

General Expense was over budget by \$24,100 or 25.01%. This is due to compensated absences not being included with the budgeting for expenses.

Depreciation Expense was over budget by \$375,919 or 100%. This is due to depreciation not being included with the budgeting for expenses.

Capital Assets

Table 7 summarizes the Authority's investment in capital assets:

	2021	2020	Increase (Decrease)	Percent Variance
Land	\$ 439,459	\$ 439,459	\$ -	0.00%
Buildings	13,656,414	12,954,636	701,778	5.42%
Furniture and equipment	464,606	457,364	7,242	1.58%
	14,560,479	13,851,459	709,020	5.12%
Less: accumulated depreciation	<u>(12,615,632)</u>	<u>(12,239,713)</u>	<u>(375,919)</u>	<u>3.07%</u>
Capital assets, net	<u>\$ 1,944,847</u>	<u>\$ 1,611,746</u>	<u>\$ 333,101</u>	<u>20.67%</u>

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. Additional information and details can be found in the Notes to the Financial Statements.

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2021

Capital funding available for 2021 is as follows:

	Grant	Total Budget	Expended through 09/30/21	Budget Remaining at 09/30/21
Capital Fund Program 2017	501-17	\$ 444,865	\$ 399,910	\$ 44,955
Capital Fund Program 2018	501-18	\$ 626,338	\$ 582,557	\$ 43,781
Capital Fund Program 2019	501-19	\$ 573,228	\$ 511,540	\$ 61,688
Capital Fund Program 2020	501-20	\$ 616,287	\$ 115,961	\$ 500,326
				<u>\$ 605,796</u>

Significant economic factors affecting the Authority are as follows:

- The Department of Housing and Urban Development (HUD) has historically been underfunded to meet the subsidy needs of public housing authorities (PHAs). We do not expect this consistent trend to change. The effects of recapture and sequestration on funding and reserve balance along with efforts to eliminate RNP in the Housing Choice Voucher program.
- Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. Further, funding for the Departments of Defense and Homeland Security will probably result in reduced appropriations for all other domestic program spending.
- Changing cost of utility rates, supplies, and other costs may impact our budgets in future years.
- The impact of the COVID-19 pandemic on the economy and government funding.
- The impact of hurricane Ida on the Louisiana economy reduced rental income, increased renovation expenses, and government funding.

Request for information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested. If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Housing Authority of the Parish of St. James
 Attn: Dana Groover, Executive Director
 2627 North King Avenue
 Lutcher, LA. 70071

St. James Parish Housing Authority

Statement of Net Position

September 30, 2021

	Primary Government	Discretely Presented Component Units
ASSETS		
Current Assets		
Cash and equivalents		
Unrestricted	\$ 1,702,820	\$ 12,488
Restricted	65,416	52,570
Subtotal	<u>1,768,236</u>	<u>65,058</u>
Inventory	11,165	-
Accounts receivable, net	670,248	14,680
Prepaid expenses	54,184	10,923
Total Current Assets	<u>2,503,833</u>	<u>90,661</u>
Non-Current Assets		
Notes receivable	1,971,783	-
Intangibles, net	-	53,918
Capital assets, net	1,944,847	8,928,875
Total Non-Current Assets	<u>3,916,630</u>	<u>8,982,793</u>
TOTAL ASSETS	<u>6,420,463</u>	<u>9,073,454</u>
DEFERRED OUTFLOW OF RESOURCES		
	-	-
LIABILITIES		
Current Liabilities		
Accounts payable	45,055	37,368
Accrued liabilities	73,603	42,526
Deposits held in trust	44,201	15,888
Compensated absences, current	37,832	-
Unearned revenue	6,891	2,379
Long term debt, current	-	21,592
Total Current Liabilities	<u>207,582</u>	<u>119,753</u>
Non-Current Liabilities		
Compensated absences, non-current	99,445	-
Funds held in trust	21,215	296,116
Long term debt, non-current	462,000	3,972,238
Total Other Liabilities	<u>582,660</u>	<u>4,268,354</u>
TOTAL LIABILITIES	<u>790,242</u>	<u>4,388,107</u>
DEFERRED INFLOW OF RESOURCES		
	-	-
NET POSITION		
Net investment in capital assets	1,944,847	4,935,045
Restricted	-	-
Unrestricted	3,685,374	(249,698)
TOTAL NET POSITION	<u>\$ 5,630,221</u>	<u>\$ 4,685,347</u>

St. James Parish Housing Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2021

	Primary Government	Discretely Presented Component Units
OPERATING REVENUES		
Dwelling rent, net	\$ 797,496	\$ 458,122
Government grants, operating	1,744,200	-
Other income	144,875	168,491
TOTAL OPERATING REVENUES	2,686,571	626,613
OPERATING EXPENSES		
Administration	661,801	80,041
Tenant services	250,068	-
Utilities	122,578	46,570
Maintenance and operations	1,025,927	74,498
Protective services	-	2,991
Insurance	240,249	65,087
General expenses	143,255	122,510
Depreciation	375,919	392,734
TOTAL OPERATING EXPENSES	2,819,797	784,431
NET OPERATING INCOME (LOSS)	(133,226)	(157,818)
NONOPERATING REVENUES (EXPENSES)		
Interest income	48,083	-
Gain/(loss) on disposal of capital asset	425	-
Interest expense	-	(163,531)
TOTAL NONOPERATING REVENUES (EXPENSES)	48,508	(163,531)
TRANSFERS		
Capital contributions	864,133	-
TOTAL TRANSFERS	864,133	-
CHANGE IN NET POSITION	779,415	(321,349)
BEGINNING NET POSITION	4,850,806	5,006,696
ENDING NET POSITION	\$ 5,630,221	\$ 4,685,347

St. James Parish Housing Authority

Statement of Cash Flows

For the Year Ended September 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and users	\$ 725,582
Receipts from operating grants	1,735,920
Payments for goods and services	(1,518,305)
Payments to or on behalf of employees for services	(880,037)
	<u>63,160</u>

NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES

63,160

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital asset purchases	(709,018)
Capital contributions	864,133
	<u>155,115</u>

NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES

155,115

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investment activities	1,068
(Purchase) or redemption of Certificates of Deposit	-
	<u>1,068</u>

NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES

1,068

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

219,343

BEGINNING CASH AND CASH EQUIVALENTS

1,548,893

ENDING CASH AND CASH EQUIVALENTS

\$ 1,768,236

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ (133,226)
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Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Depreciation	375,919
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Change in assets and liabilities

(Increase) decrease in accounts receivable	(229,673)
(Increase) decrease in inventory and prepaid	(6,489)
Increase (decrease) in accounts payable	43,828
Increase (decrease) in accrued liabilities	8,197
Increase (decrease) in deposits held in trust/unearned revenue	4,604
	<u>196,386</u>

Total Adjustments

196,386

Net Cash Provided (Used) by Operating Activities

\$ 63,160

Interest Paid

\$ -

St. James Parish Housing Authority

Combining Statement of Net Position - Primary Government

September 30, 2021

	Housing Authority	Blended Component Units		Primary Government Total
		St. James Housing Alliance	Eliminations	
ASSETS				
Current Assets				
Cash and cash equivalents				
Unrestricted	\$ 1,508,624	\$ 194,196	\$ -	\$ 1,702,820
Restricted	65,416	-	-	65,416
Subtotal	<u>1,574,040</u>	<u>194,196</u>	<u>-</u>	<u>1,768,236</u>
Accounts receivable, net	670,248	-	-	670,248
Prepaid expenses	54,184	-	-	54,184
Inventory	11,165	-	-	11,165
Interfund due from	467,999	-	(467,999)	-
Total Current Assets	<u>2,777,636</u>	<u>194,196</u>	<u>(467,999)</u>	<u>2,503,833</u>
Non-Current Assets				
Notes receivable	1,971,783	-	-	1,971,783
Intangibles, net	-	-	-	-
Capital assets, net	1,944,847	-	-	1,944,847
Total Non-Current Assets	<u>3,916,630</u>	<u>-</u>	<u>-</u>	<u>3,916,630</u>
TOTAL ASSETS	<u>6,694,266</u>	<u>194,196</u>	<u>(467,999)</u>	<u>6,420,463</u>
DEFERRED OUTFLOWS OF RESOURCES				
	-	-	-	-
LIABILITIES				
Current Liabilities				
Accounts payable	45,055	-	-	45,055
Accrued liabilities	73,603	-	-	73,603
Deposits held in trust	44,201	-	-	44,201
Compensated absences, current	37,832	-	-	37,832
Unearned revenue	6,891	-	-	6,891
Debt - current	-	-	-	-
Interfund due to	467,999	-	(467,999)	-
Total Current Liabilities	<u>675,581</u>	<u>-</u>	<u>(467,999)</u>	<u>207,582</u>
Non-Current Liabilities				
Compensated absences, non-current	99,445	-	-	99,445
Funds held in trust	21,215	-	-	21,215
Long term debt, non-current	462,000	-	-	462,000
Total Non-Current Liabilities	<u>582,660</u>	<u>-</u>	<u>-</u>	<u>582,660</u>
TOTAL LIABILITIES	<u>1,258,241</u>	<u>-</u>	<u>(467,999)</u>	<u>790,242</u>
DEFERRED INFLOWS OF RESOURCES				
	-	-	-	-
Net Position				
Net investment in capital assets	1,944,847	-	-	1,944,847
Restricted	-	-	-	-
Unrestricted	3,491,178	194,196	-	3,685,374
TOTAL NET POSITION	<u>\$ 5,436,025</u>	<u>\$ 194,196</u>	<u>\$ -</u>	<u>\$ 5,630,221</u>

St. James Parish Housing Authority

Combining Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
For the Year Ended September 30, 2021

	Blended Component Units			Primary Government Total
	Housing Authority	St. James Housing Alliance	Eliminations	
Operating Revenues				
Rental revenues, net	\$ 797,496	\$ -	\$ -	\$ 797,496
Government grants	1,744,200	-	-	1,744,200
Other income	144,875	-	-	144,875
Total Operating Revenues	2,686,571	-	-	2,686,571
Operating Expenses				
Administration	661,801	-	-	661,801
Tenant services	250,068	-	-	250,068
Utilities	122,578	-	-	122,578
Maintenance and operations	1,025,927	-	-	1,025,927
Protective services	-	-	-	-
Insurance expense	240,249	-	-	240,249
General expense	143,255	-	-	143,255
Depreciation and amortization	375,919	-	-	375,919
Total Operating Expenses	2,819,797	-	-	2,819,797
OPERATING INCOME (LOSS)	(133,226)	-	-	(133,226)
Non-Operating Revenues (Expenses)				
Interest income	48,083	-	-	48,083
Gain/(loss) on disposal of capital asset	425	-	-	425
Interest expense	-	-	-	-
Total Non-Operating Revenues (Expenses)	48,508	-	-	48,508
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(84,718)	-	-	(84,718)
Capital Contributions and Transfers				
Capital contributions	864,133	-	-	864,133
Total Capital Contributions and Transfers	864,133	-	-	864,133
CHANGE IN NET POSITION	779,415	-	-	779,415
BEGINNING NET POSITION	4,656,610	194,196	-	4,850,806
ENDING NET POSITION	\$ 5,436,025	\$ 194,196	\$ -	\$ 5,630,221

St. James Parish Housing Authority
Combining Statement of Cash Flows - Primary Government
For the Year Ended September 30, 2021

	Blended Component Units			Primary Government Total
	Housing Authority	St. James Housing Alliance	Eliminations	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from tenants and users	\$ 725,582	\$ -	\$ -	\$ 725,582
Receipts from operating grants	1,735,920	-	-	1,735,920
Payments to suppliers	(1,518,305)	-	-	(1,518,305)
Payments to or on behalf of employees for services	(880,037)	-	-	(880,037)
NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES	63,160	-	-	63,160
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital asset purchases	(709,018)	-	-	(709,018)
Capital contributions	864,133	-	-	864,133
NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	155,115	-	-	155,115
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from investment activities	1,068	-	-	1,068
(Purchase) or redemption of CD	-	-	-	-
NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES	1,068	-	-	1,068
NET INCREASE (DECREASE) IN CASH	219,343	-	-	219,343
BEGINNING CASH	1,354,697	194,196	-	1,548,893
ENDING CASH	\$ 1,574,040	\$ 194,196	\$ -	\$ 1,768,236

St. James Parish Housing Authority
Combining Statement of Cash Flows - Primary Government
For the Year Ended September 30, 2021

	Blended Component Units			Primary Government Total
	Housing Authority	St. James Housing Alliance	Eliminations	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (133,226)	\$ -	\$ -	\$ (133,226)
Non-Cash Adjustments:				
Depreciation	375,919	-	-	375,919
Change in Asset & Liabilities				
Accounts receivable	(229,673)	-	-	(229,673)
Inventory & prepaid expenses	(6,489)	-	-	(6,489)
Accounts payable	43,828	-	-	43,828
Accrued liabilities	8,197	-	-	8,197
Tenant security deposits/unearned revenue	4,604	-	-	4,604
Net interfunds	-	-	-	-
Total Adjustments	<u>196,386</u>	<u>-</u>	<u>-</u>	<u>196,386</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 63,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,160</u>

St. James Parish Housing Authority

Combining Statement of Net Position - Discretely Presented Component Unit

September 30, 2021

	Convent Trace Development, LP	Central Crossing Development, LP	DPCU Total
ASSETS			
Current Assets			
Cash and cash equivalents			
Unrestricted	\$ 7,733	\$ 4,755	\$ 12,488
Restricted	28,541	24,029	52,570
Subtotal	<u>36,274</u>	<u>28,784</u>	<u>65,058</u>
Accounts receivable, net	6,914	7,766	14,680
Prepaid expenses	6,144	4,779	10,923
Inventory	-	-	-
Interfund due from	-	-	-
Total Current Assets	<u>49,332</u>	<u>41,329</u>	<u>90,661</u>
Non-Current Assets			
Notes receivable	-	-	-
Intangibles, net	38,438	15,480	53,918
Capital assets, net	5,042,577	3,886,298	8,928,875
Total Non-Current Assets	<u>5,081,015</u>	<u>3,901,778</u>	<u>8,982,793</u>
TOTAL ASSETS	<u>5,130,347</u>	<u>3,943,107</u>	<u>9,073,454</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
LIABILITIES			
Current Liabilities			
Accounts payable	19,504	17,864	37,368
Accrued liabilities	16,045	26,481	42,526
Deposits held in trust	9,578	6,310	15,888
Compensated absences, current	-	-	-
Unearned revenue	1,076	1,303	2,379
Debt - current	11,985	9,607	21,592
Interfund due to	-	-	-
Total Current Liabilities	<u>58,188</u>	<u>61,565</u>	<u>119,753</u>
Non-Current Liabilities			
Compensated absences, non-current	-	-	-
Funds held in trust	129,700	166,416	296,116
Long Term debt, non-current	2,362,604	1,609,634	3,972,238
Total Non-Current Liabilities	<u>2,492,304</u>	<u>1,776,050</u>	<u>4,268,354</u>
TOTAL LIABILITIES	<u>2,550,492</u>	<u>1,837,615</u>	<u>4,388,107</u>
DEFERRED INFLOWS OF RESOURCES	-	-	-
Net Position			
Net investment in capital assets	2,667,988	2,267,057	4,935,045
Restricted	-	-	-
Unrestricted	(88,133)	(161,565)	(249,698)
TOTAL NET POSITION	<u>\$ 2,579,855</u>	<u>\$ 2,105,492</u>	<u>\$ 4,685,347</u>

St. James Parish Housing Authority

Combining Statement of Revenues, Expenses, and Changes in Net Position - Discretely Present Component
For the Year Ended September 30, 2021

	Convent Trace Development, LP	Central Crossing Development, LP	DPCU Total
Operating Revenues			
Rental revenues, net	\$ 259,700	\$ 198,422	\$ 458,122
Government grants	-	-	-
Other income	76,971	91,520	168,491
Total Operating Revenues	<u>336,671</u>	<u>289,942</u>	<u>626,613</u>
Operating Expenses			
Administration	44,521	35,520	80,041
Tenant services	-	-	-
Utilities	27,792	18,778	46,570
Maintenance and operations	42,511	31,987	74,498
Protective services	340	2,651	2,991
Insurance expense	36,669	28,418	65,087
General expense	75,217	47,293	122,510
Depreciation and amortization	208,315	184,419	392,734
Total Operating Expenses	<u>435,365</u>	<u>349,066</u>	<u>784,431</u>
OPERATING INCOME (LOSS)	<u>(98,694)</u>	<u>(59,124)</u>	<u>(157,818)</u>
Non-Operating Revenues (Expenses)			
Interest income	-	-	-
Gain/(loss) on disposal of capital asset	-	-	-
Interest expense	(91,074)	(72,457)	(163,531)
Total Non-Operating Revenues (Expenses)	<u>(91,074)</u>	<u>(72,457)</u>	<u>(163,531)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(189,768)</u>	<u>(131,581)</u>	<u>(321,349)</u>
Capital Contributions and Transfers			
Government grants, capital contributions	-	-	-
Total Capital Contributions and Transfers	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(189,768)</u>	<u>(131,581)</u>	<u>(321,349)</u>
BEGINNING NET POSITION	2,769,623	2,237,073	5,006,696
ENDING NET POSITION	<u>\$ 2,579,855</u>	<u>\$ 2,105,492</u>	<u>\$ 4,685,347</u>

Note 1 - Summary of Significant Accounting Policies

Organization

St. James Parish Housing Authority (SJPHA) was 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. SJPHA is governed by a five-member board of commissioners.

Introduction

The financial statements of SJPHA have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). SJPHA has previously implemented GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management's Discussion and Analysis (MD&A) section providing an analysis of SJPHA' overall financial position and results of operations.

SJPHA is a special-purpose government engaged only in business-type activities and, therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138 and GASB 63. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of:
 - Statement of Net Position
 - Statement of Revenues, Expenses and Changes in Net Position
 - Statement of Cash Flows
- Notes to Financial Statements

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

A. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, SJPHA is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that SJPHA may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

GASB Statement No. 61 establish criteria for determining which, if any, component units should be considered part of SJPHA for financial reporting purposes. The basic criteria for including a potential component unit organization within SJPHA' reporting entity includes whether:

- The organization is legally separate (can be sued in their own name)
- The organization is able to impose its will on the organization
- The organization has the potential to impose a financial burden/benefit on SJPHA

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

St. James Housing Alliance, Inc. – the Entity is a legally separate entity, which is a not-for-profit corporation. 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 SJPHA’s Board of Commissioners, Vice-Chairman of the SJPHA’s Board of Commissioners and Executive Director of the SJPHA. This provides SJPHA with a voting majority of the governing body of the Corporation. St. James Housing Alliance, Inc. impose a financial benefit and burden on SJPHA.

Financial information for the Entity is presented as of and for the year-ended September 30, 2021. There is no separate audit report available however an informational tax return (Form 990) can be obtained from SJPHA management.

The following entities are considered component units of SJPHA and based on the GASB Statement No. 61 established criteria, and the control and relationship between SJPHA and the component units, the Authority has determined these component units are required to be discretely presented on SJPHA’s financial statements. The entities are all reported on a December 31, 2020 fiscal year end which is different than SJPHA fiscal year end.

Covent Trace GP, LLC – the Entity was created, April 2016, as a legally separate entity, which is a Louisiana limited liability company. In July 2016, the operating agreement was amended and restated for Covent 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 Covent Trace GP, LLC. However, there is no financial activity in this entity to be presented as of December 31, 2020.

Central Crossing GP, LLC – the Entity was created, April 2016, 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. However, there is no financial activity in this entity to be presented as of December 31, 2020.

Covent Trace Development, LP (CTDLP) – the Entity was created, April 2016, 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 SJPHA under the Rental Assistance Demonstration (RAD) program. The RAD Conversion has allowed SJPHA 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 Covent Trace GP, LLC. In addition, SJPHA has a sub-management agreement with CTDLP to assist in overseeing the day-to-day operations and can impose its will on the partnership.

Central Crossing Development, LP (CCDLP) – the Entity was created, April 2016, 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 SJPHA. The partnership acquired the property from SJPHA under the Rental Assistance Demonstration (RAD) program. The RAD Conversion has allowed SJPHA 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, SJPHA has a sub-management agreement with CCDLP to assist in overseeing the day-to-day operations and can impose its will on the partnership.

Separate financial statement of both Limited Partnerships, CTDLP and CCDLP, were issued for fiscal year ended December 31, 2020, and can be obtained by SJPHA.

B. Basic Financial Statements/Funds

All activities of SJPHA are reported in proprietary fund types. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is secured by SJPHA' capital assets and by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

In the Statement of Net Position, equity is classified as net position and displayed in three components:

- a) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any notes or other borrowings attributable to those capital assets.
- b) Restricted net position – Consists of assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
- c) Unrestricted net position – All other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted net positions are available for use, generally it is the SJPHA's policy to use restricted resources first.

C. Accrual Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

D. Financial Statement Accounts & Other Matters

1.) Cash and Investments.

- a) *Cash and Cash Equivalents.* SJPHA defines cash to include certificates of deposit, money market funds, savings accounts, demand deposits, and other short-term securities with original maturities of three months or less; consequently, the cost, carrying value, and market value are equivalent.
- b) *Investments.* Investments, consist of certificates of deposits with original maturities of three months or greater consequently, the cost, carrying value, and market value are equivalent.

2.) Accounts Receivable. Accounts Receivable consists of all amounts earned at year end and not yet received. Allowances for uncollectible accounts are based upon historical trends and periodic aging of accounts receivable.

Accounts for which no possibility of collection is anticipated are charged to bad debts expense which is netted against tenant revenues on the Statement of Revenues, Expenses, and Changes in Net Position. The amount of bad debt related to tenant receivables written off for the year ended September 30, 2021 was \$40,013.

3.) *Inventories.* Inventories are valued at cost, which approximates market, using the first-in/ first-out (FIFO) method. The costs of inventories are recorded as expenses when consumed rather than when purchased.

SJPHA' management has elected to use an allowance for obsolete inventories which it estimates based on historical data and trend analysis. As of September 30, 2021 the allowance for obsolete inventory was \$1,241.

4.) *Restricted Cash.* Restricted cash consists of cash and investments that are held in trust.

5.) *Capital Assets.* Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Category</u>	<u>Useful Life (YR)</u>
Buildings	27.5
Buildings improvements	10
Equipment	3-10

6.) *Depreciation.* Depreciation expense of \$375,919 has been recognized during the year ended September 30, 2021.

7.) *Compensated Absences.* SJPHA 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.

8.) *Unearned Revenue.* Unearned revenues consist of rental payments made by tenants in advance of their due date.

9.) *Revenues.* All SJPHA revenues are accrued. These revenues consist of user charges for rents, utilities, repairs, and other miscellaneous charges. Monies received from customers for security deposits are recorded as a liability upon receipt. Subsidies and grants, which finance current operations, are reported as operating revenues. Subsidies and grants, which finance capital operations, gain/loss on sale of fixed assets, and interest income/expense, are reported as non-operating revenues.

Revenues for government-mandated and voluntary exchange transactions, are recorded when all applicable eligibility requirements, including time requirements, are met. Resources received before all eligibility requirements are met me reported as deferred inflows of resources.

10.) *Expenditures.* Expenditures are recognized when the liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the years purchased.

11.) *Internal Activity.* All transfers and other interfund activity balances have been eliminated from the financial statements in accordance with GASB.

12.) *Use of Estimates.* The preparation of financial statements in conformity with generally accepted accounting principles as applied to governmental units require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

13.) *Deferred Inflows/Outflows of Resources.* In accordance with GASB 63, in addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. SJPHA had no deferred outflows of resources.

Also, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as

14.) *Income Taxes.* SJPHA is not subject to federal or state income taxes. The blended component unit files annual informational tax returns with the IRS.

15.) *Subsequent Events.* Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of the Authority through June 14, 2022, (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statement.

Note 2 - Cash and Cash Equivalents

All the deposits of SJPHA are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by SJPHA' agents in these units' names. SJPHA has no policy regarding custodial credit risk for deposits.

All deposits of SJPHA are with financial institutions meeting State and Federal deposit requirements.

Interest rate risk - As a means of limiting its exposure to market value losses arising from rising interest rates, SJPHA's typically limits its investment portfolio to maturities of 12 months or less. SJPHA has no specific policy regarding interest rate risk.

Credit risk - SJPHA has no policy regarding credit risk.

Custodial credit risk - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, SJPHA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. SJPHA has no policy on custodial credit risk.

Concentration of credit risk - SJPHA follows the Financial Management Handbook (Chapter 4) regarding the process of cash management.

Cash and cash equivalents were comprised of the following as of September 30, 2021:

Unrestricted:

Checking & Money Market accounts	\$ 1,702,820
Subtotal	<u>1,702,820</u>

Restricted:

Tenant security deposits	44,201
Restricted FSS escrow	<u>21,215</u>
Subtotal	<u>65,416</u>
Total cash & cash equivalents	<u>\$ 1,768,236</u>

St. James Parish Housing Authority

Notes to Financial Statements
For the Year Ended September 30, 2021

Note 3 - Accounts Receivable

Accounts receivable as of September 30, 2021 were comprised of the following:

Tenant receivables	\$ 149,263
Allowance for tenant receivables	<u>(63,745)</u>
Net tenant receivables	85,518
Due from other governments	546,997
Miscellaneous receivables	<u>37,733</u>
Total accounts receivable	<u>\$ 670,248</u>

Note 4 - Capital Assets

A summary of the activity for the year ended September 30, 2021 is presented below for capital assets:

	9/30/20	Additions	Deletions	09/30/21
Nondepreciable				
Land	\$ 439,459	\$ -	\$ -	\$ 439,459
Construction in progress	-	856,891	(856,891)	-
Total nondepreciable	<u>439,459</u>	<u>856,891</u>	<u>(856,891)</u>	<u>439,459</u>
Depreciable				
Buildings & improvements	12,954,638	997,802	(296,026)	13,656,414
Furniture & equipment	457,365	7,241	-	464,606
Total depreciable	<u>13,412,003</u>	<u>1,005,043</u>	<u>(296,026)</u>	<u>14,121,020</u>
Accumulated depreciation	<u>(12,239,713)</u>	<u>(375,919)</u>	-	<u>(12,615,632)</u>
Net depreciable	<u>1,172,290</u>	<u>629,124</u>	<u>(296,026)</u>	<u>1,505,388</u>
Net capital assets	<u>\$ 1,611,749</u>	<u>\$ 1,486,015</u>	<u>\$ (1,152,917)</u>	<u>\$ 1,944,847</u>

Construction in progress is composed of expenditures related to major renovation of certain buildings owned by SJPHA. The majority of these renovations will be fully financed by grants from HUD.

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

Note 5 - Long-Term Liabilities

SJPHA only long-term liability is the long-term portion of compensated absences, which had the following activity:

	9/30/20	Additions	Deletions	09/30/21
Compensated absences	\$ 95,485	\$ 77,575	\$ (73,615)	\$ 99,445
Funds held in trust	28,958	-	(7,743)	21,215
AHP debt	462,000	-	-	462,000
	<u>\$ 586,443</u>	<u>\$ 77,575</u>	<u>\$ (81,358)</u>	<u>\$ 582,660</u>

In 2016, the SJPHA 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, SJPHA would be required to pay back the grant if the projects do not stay in conformity of the agreement. SJPHA has recorded a note payable of \$462,000 for these transactions but no maturity schedule is presented as no payments are required.

Note 6 - Net Position

SJPHA is required to report net position in three categories described in Note 1. The calculation to arrive at each net position is as follows:

Capital assets, net	\$ 1,944,847
Capital debt	-
Net investment in capital assets	<u>\$ 1,944,847</u>
Restricted cash	\$ 65,416
Tenant FSS escrow liability	(21,215)
Security deposit liability	(44,201)
Restricted net position	<u>\$ -</u>

Note 7 - Defined Contribution Plan

SJPHA participates in the Housing Renewal Local Agency Retirement Plan. SJPHA 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. SJPHA's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. SJPHA's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of SJPHA.

There are no assets accumulated in a trust to pay for future contributions of SJPHA. SJPHA's total payroll for year ended September 30, 2021 was \$679,631. SJPHA's contributions were calculated using the base salary amount of \$551,869. SJPHA made the required contributions of \$46,909, which was recognized as expense for the fiscal year. The covered employees made the required contributions of \$32,785 for the year ended September 30, 2021. SJPHA reported \$2,961 in forfeitures for the fiscal year ended September 30, 2021.

Note 8 – Sub-management Agreement

On November 8, 2017, SJPHA had entered into a sub-management agreement with CTDLP component unit, in which SJPHA acts as the submanager 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, SJPHA receives a management fee of \$38,000 per year and an additional \$3,829 per year.

On January 25, 2018, SJPHA had entered into a sub-management agreement with CCDLP component unit, in which SJPHA 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, SJPHA receives a management fee of \$65,000 per year and an additional \$4,913 per year.

During the fiscal year ended September 30, 2021, SJPHA received \$110,049 from the discretely presented component units in accordance with the sub-management agreements.

Note 9 - Contingencies

COVID 19: On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the orders. Management is carefully monitoring the situation and evaluating its options during this time. It is possible that this matter may negatively impact the Authority, however, the ultimate financial impact and duration cannot be estimated at this time, and no adjustments have been made to these financial statements as a result of this uncertainty.

Legal: The Authority is party to no pending or threatened legal actions arising from the normal course of its operations.

Grants and Contracts: The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of September 30, 2021.

Note 10 - Risk Management

SJPHA 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 SJPHA carries commercial insurance. The amounts of insurance settlements have not exceeded insurance coverage for any of the past three years.

Note 11 - Economic Dependency

SJPHA 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 operating grants, which represents approximately 60% of SJPHA's total revenue for the year.

St. James Parish Housing Authority

Statement and Certification of Actual Costs

September 30, 2021

1. The Actual Costs of the Authority was as follows:

Grant	Funds Approved	Funds Disbursed	Funds Expended	Balance Unspent
<i>LA48P092501-17</i>	\$ 444,865	\$ 399,910	\$ 399,910	\$ 44,955
<i>LA48P092501-18</i>	626,338	582,557	582,557	43,781
<i>LA48P092501-19</i>	573,228	511,540	511,540	61,688
<i>LA48P092501-20</i>	616,287	115,961	115,961	500,326

2. The distribution of costs as shown on the Financial Statement of Costs accompanying the Actual Cost Certificate submitted to HUD for approval, is in agreement with the Authority's records.
3. For the above completed grants, all costs have been paid and all related liabilities have been discharged through payment.

St. James Parish Housing Authority

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2021

FEDERAL GRANTOR	CFDA No.	Federal Expenditures
U.S. Department of HUD		
<i>Direct Programs</i>		
Public and Indian Housing		\$ 1,014,223
COVID-19 Public Housing CARES Funds		79,942
Subtotal	14.850	<u>1,094,165</u>
Public Housing Capital Fund	14.872	1,008,508
Resident Opportunity and Supportive Services	14.870	58,548
Public Housing Family Self Sufficiency	14.877	<u>78,376</u>
Total U.S. Department of HUD		<u>2,239,597</u>
U.S. Department of Homeland Security		
<i>Direct Programs</i>		
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	<u>368,736</u>
Total U.S. Department of Homeland Security		<u>368,736</u>
TOTAL FEDERAL AWARDS		<u>\$ 2,608,333</u>

Note 1 - Summary of Significant Accounting Policies to the Schedule of Expenditures of Federal Awards

A.) Scope of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the expenditures incurred (and related awards received) by the St. James Parish Housing Authority (SJPHA) that are reimbursable under federal programs of federal agencies providing financial assistance awards. For the purposes of this schedule, only the portion of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum federal or state reimbursement authorized or the portion of the program expenditures that were funded with, state, local or other nonfederal funds are excluded from the accompanying schedule.

B.) Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Expenditures are recognized in the accounting period in which the related liability is incurred. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

The Schedule was prepared from only the accounts of the grant programs and, therefore, does not present the financial position or results of operations of SJPHA.

C.) Subrecipients

During the fiscal year ended September 30, 2021, SJPHA disbursed no Federal funds to subrecipients.

D.) 10% De Minimis Indirect Costs Rate

The Authority did not elect to use the 10% de minimis indirect costs rate as allowed by Uniform Guidance.

Schedule of Compensation, Benefits and Other Payments to Agency Head

Agency Head Name: Dana S. Groover, Executive Director

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

Schedule of Compensation Paid Board Members

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*



Smith Marion & Co. · Certified Public Accountants

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Board of Commissioners
St. James Parish Housing Authority
Lutcher, LA

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 Auditors' Report

We have audited, 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, the financial statements of the business-type activities of the St. James Parish Housing Authority (SJPHA), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise St. James Parish Housing Authority's basic financial statements, and have issued our report thereon dated June 14, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. James Parish 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 St. James Parish Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of St. James Parish 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 over financial reporting 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 St. James Parish Housing Authority’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. James Parish 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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


June 14, 2022



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Board of Commissioners
St. James Parish Housing Authority
Lutcher, LA

Report on Compliance on Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditors' Report

Report on Compliance for Each Major Federal Program

We have audited St. James Parish Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of St. James Parish Housing Authority's major federal program for the year ended September 30, 2021. St. James Parish Housing Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of St. James Parish Housing Authority's major federal program based on our audit of the type 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 St. James Parish 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 St. James Parish Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, St. James Parish 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, 2021.



Report on Internal Control over Compliance

Management of St. James Parish 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 St. James Parish 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 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 St. James Parish 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 controls 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 the 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 were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

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.


June 14, 2022

Section I **Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued	<input style="width: 90%;" type="text" value="Unmodified"/>
Internal controls over financial reporting:	
Material weakness(es) identified	<input style="width: 90%;" type="text" value="No"/>
Significant deficiency(ies) identified	<input style="width: 90%;" type="text" value="None Reported"/>
Noncompliance material to financial statements noted	<input style="width: 90%;" type="text" value="No"/>

Federal Awards

Internal control over major federal programs	
Material weakness(es) identified	<input style="width: 90%;" type="text" value="No"/>
Significant deficiency(ies) identified	<input style="width: 90%;" type="text" value="None Reported"/>
Type of auditors' report issued on compliance for major federal programs	<input style="width: 90%;" type="text" value="Unmodified"/>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	<input style="width: 90%;" type="text" value="No"/>
Identification of major federal programs:	

CFDA Number(s)	Name of Federal Program or Cluster
14.850	Public and Indian Housing

Dollar threshold used to distinguish between type A and type B programs:	<input style="width: 90%;" type="text" value="\$ 750,000"/>
Auditee qualified as a low-risk auditee	<input style="width: 90%;" type="text" value="Yes"/>

Section II **Financial Statement Findings**

No findings

Section III **Federal Awards Findings**

No findings to reported under 2CFR200 Section 516(a) of the Uniform Guidance

St. James Parish Housing Authority
 Summary Schedule of Prior Year Findings and Questioned Costs
 For the Year Ended September 30, 2021

Financial Statement Findings

Prior Year Findings Number	Findings Title	Status/Current Year Finding Number
N/A	There were no prior findings reported	N/A

Federal Award Findings and Questioned Costs

Prior Year Findings Number	Findings Title	Status/Current Year Finding Number
2020-001	Cash Management CFP Program	Resolved