

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

**Annual Financial Report
For the Year Ended
September 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/3/10

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REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana

We have audited the accompanying financial statements of the business-type activities and each major fund of the Housing Authority of St. John the Baptist Parish (the "Housing Authority") as of and for the year ended September 30, 2008, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority as of September 30, 2008, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2009, 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 grants agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 Supplemental HUD Financial Data Schedules and other information on pages 20 through 30 are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements. The Supplemental Schedules and other information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Reboue & Company

September 24, 2009

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2008

Our discussion and analysis of the Housing Authority of St. John the Baptist Parish's financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2008.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

FINANCIAL HIGHLIGHTS

Total expenses increased approximately \$1,600,000 primarily due to an increase in Housing Assistance Payments. Total revenues increased approximately \$2,100,000.

USING THIS ANNUAL FINANCIAL REPORT

The Housing Authority's annual financial report consists of financial statements that report information about the Housing Authority's most significant proprietary funds - Public Housing, Capital Fund, and Housing Choice Voucher (Section 8) Programs.

An outline of the Annual Financial Report's contents is as follows:

- I. Independent Auditor's Report
- II. Required Supplementary Information
 - A. Management's Discussion & Analysis (MD&A)
- III. Basic Financial Statements
- IV. Notes to the Financial Statements
- V. Supplemental Information
 - A. HUD Financial Data Schedule
 - B. Schedule of Compensation Paid Board Members
- VI. Single Audit Section

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2008

We have received a report from our Independent Auditors, on pages 1 and 2, that states that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. All Housing Authority funds are enterprise funds.

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. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication. The operating results are presented in the Statement of Revenues, Expenses, and Changes in Fund Net Assets and changes in cash are reflected in the Statement of Cash Flows.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$3,785,015 at September 30, 2008. Of this amount, \$3,643,558 was invested in capital assets, and \$141,457 was unrestricted. Total net assets decreased by 16.4%.

As we noted earlier, the Housing Authority uses funds to help it oversee and demonstrate adequate management of money for particular purposes. A separate fund is established to account for Public Housing Capital Expenditures. The following analysis focuses on the net assets and the change in net assets of the Housing Authority as a whole.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2008**

**Table 1
Net Assets**

	<u>2008</u>	<u>2007</u>
Current assets	\$ 1,376,937	\$ 1,000,030
Capital assets, net	<u>3,643,558</u>	<u>3,910,171</u>
Total assets	<u>5,020,495</u>	<u>4,910,201</u>
Current liabilities	1,222,703	370,538
Noncurrent liabilities	<u>12,777</u>	<u>22,630</u>
Total liabilities	<u>1,235,480</u>	<u>393,168</u>
Net Assets		
Invested in capital assets, net of related debt	3,643,558	3,910,171
Unrestricted and Other	<u>141,457</u>	<u>606,862</u>
Total net assets	<u>\$ 3,785,015</u>	<u>\$ 4,517,033</u>

**Table 2
Changes in Net Assets**

	<u>2008</u>	<u>2007</u>
Revenues/capital contributions:		
Operating revenues		
Rental and other	\$ 441,519	\$ 427,839
Total operating revenues	<u>441,519</u>	<u>427,839</u>
Nonoperating revenues (expenses)		
Interest earnings	2,124	1,598
Federal grants and subsidies	3,418,011	2,393,924
Other revenue	298,803	262,227
Other expenses	<u>(2,125,935)</u>	<u>(1,058,866)</u>
Total non-operating revenues (expenses)	<u>\$ 1,593,003</u>	<u>\$ 1,598,883</u>

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2008**

	<u>2008</u>	<u>2007</u>
Expenses		
Operating Expenses		
Administration	\$ 954,374	\$ 590,309
Utilities	437,252	384,558
Maintenance	573,649	411,740
General Expense	329,010	329,633
Depreciation	440,312	468,898
Protective Services	<u>31,943</u>	<u>11,259</u>
Total Operating Expenses	<u>2,766,540</u>	<u>2,196,397</u>
Net income (loss) before capital contributions	(732,018)	(169,675)
Capital contributions	<u>-</u>	<u>41,598</u>
Increase (decrease) in net assets	<u>\$ (732,018)</u>	<u>\$ (128,077)</u>

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2008**

CAPITAL ASSETS

At September 30, 2008, the Housing Authority had \$3.6 million invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount remained relatively stable from the prior fiscal year.

Capital Assets at September 30, 2008:

	<u>2008</u>	<u>2007</u>
Land	\$ 171,875	\$ 171,875
Buildings	12,124,462	12,094,848
Building Improvements	1,351,121	1,351,121
Furniture and Equipment	535,108	501,700
Construction in progress	<u>-</u>	<u>10,000</u>
Subtotals	<u>14,182,566</u>	<u>14,129,544</u>
Less Accumulated Depreciation	<u>(10,539,008)</u>	<u>(10,219,373)</u>
Fixed Assets, Net	<u><u>\$ 3,643,558</u></u>	<u><u>\$ 3,910,171</u></u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of its operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in the Housing Authority's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, LaPlace, LA 70068.

BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

September 30, 2008

	<i>Business-type Activities - Enterprise Funds</i>					
	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Other Federal Program	Total
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 25,671	\$ -	\$ -	\$ -	\$ 850	\$ 26,521
Accounts Receivable from Tenants, Net of Allowance	33,603	-	-	-	-	33,603
Advances to Other Contracts	68,552	260,565	6,899	204,836	438,653	979,505
Due from HUD	580	94,235	68,552	-	-	163,367
Inventory	28,741	-	-	-	-	28,741
Prepaid Expenses and Other Assets	145,200	-	-	-	-	145,200
Total Current Assets	302,347	354,800	75,451	204,836	439,503	1,376,937
CAPITAL ASSETS						
Capital Assets Not Being Depreciated	171,875	-	-	-	-	171,875
Capital Assets (Net of Accumulated Depreciation)	2,974,756	-	496,927	-	-	3,471,683
Total Capital Assets, Net	3,146,631	-	496,927	-	-	3,643,558
Total Assets	\$ 3,448,978	\$ 354,800	\$ 572,378	\$ 204,836	\$ 439,503	\$ 5,020,495

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS (CONTINUED)

September 30, 2008

	Business-type Activities - Enterprise Funds					
	Low Rent	Housing	Public Housing	Disaster	Other	Total
	Public	Choice	Capital Fund	Voucher	Federal	
	Housing	Vouchers	Program	Program	Program	
CURRENT LIABILITIES						
Accounts Payable and Accrued Expenses	\$ 153,617	\$ -	\$ -	\$ -	\$ -	\$ 153,617
Advances from Other Contracts	192,362	643,489	68,552	-	75,102	979,505
Bank Overdraft	15,389	44,371	-	-	-	59,760
Compensated Absences	8,517	-	-	-	-	8,517
Tenant Deposits Held in Trust	19,482	-	-	-	-	19,482
Other Liabilities	1,822	-	-	-	-	1,822
Total Current Liabilities	391,189	687,860	68,552	-	75,102	1,222,703
NONCURRENT LIABILITIES						
Compensated Absences Payable	12,777	-	-	-	-	12,777
Total Noncurrent Liabilities	12,777	-	-	-	-	12,777
Total Liabilities	403,966	687,860	68,552	-	75,102	1,235,480
NET ASSETS						
Invested In Capital Assets, Net of Related Debt	3,146,631	-	496,927	-	-	3,643,558
Unrestricted	(101,619)	(333,060)	6,899	204,836	364,401	141,457
Total Net Assets	\$ 3,045,012	\$ (333,060)	\$ 503,826	\$ 204,836	\$ 364,401	\$ 3,785,015

The notes to the financial statements are an integral part of this statement.

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

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS**

PROPRIETARY FUNDS

For the Year Ended September 30, 2008

	Business-type Activities - Enterprise Funds					
	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Other Federal Program	Total
OPERATING REVENUES						
Dwelling Rental	\$ 441,519	\$ -	\$ -	\$ -	\$ -	\$ 441,519
Total Operating Revenues	441,519	-	-	-	-	441,519
OPERATING EXPENSES						
Administration	822,794	18,725	33,445	9,623	69,787	954,374
Utilities	437,252	-	-	-	-	437,252
Maintenance	573,649	-	-	-	-	573,649
General Expense	329,010	-	-	-	-	329,010
Depreciation Expense	387,481	-	52,831	-	-	440,312
Protective Services	75	-	31,868	-	-	31,943
Total Operating Expenses	2,550,261	18,725	118,144	9,623	69,787	2,766,540
Loss From Operations	(2,108,742)	(18,725)	(118,144)	(9,623)	(69,787)	(2,325,021)

(Continued)

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

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET ASSETS

PROPRIETY FUNDS (CONTINUED)

For the Year Ended September 30, 2008

	Business-type Activities - Enterprise Funds					
	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Other Federal Program	Total
NON OPERATING REVENUES (EXPENSES)						
Federal Grants	\$ 1,108,129	\$ 713,261	\$ -	\$ 138,378	\$ 1,458,243	\$ 3,418,011
Other Revenue	(1,426)	-	300,229	-	-	298,803
Interest Income	1,459	243	-	129	293	2,124
Housing Assistance Payments	-	(1,101,587)	-	-	(1,024,348)	(2,125,935)
Total Non Operating Revenues (Expenses)	1,108,162	(388,083)	300,229	138,507	434,188	1,593,003
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,000,580)	(406,808)	182,085	128,884	364,401	(732,018)
Transfers	54,318	-	(54,318)	-	-	-
Change in net assets	(946,262)	(406,808)	127,767	128,884	364,401	(732,018)
Net Assets, Beginning of Year	3,991,274	73,748	376,059	75,952	-	4,517,033
Net Assets, End of Year	\$ 3,045,012	\$ (333,060)	\$ 503,826	\$ 204,836	\$ 364,401	\$ 3,785,015

The notes to the financial statements are an integral part of this statement.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2008

	Business-type Activities - Enterprise Funds				
	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund	Disaster Voucher Program	Other Federal Program
CASH FLOWS FROM OPERATING ACTIVITIES					Total
Rental Receipts	\$ 427,696	\$ -	\$ -	\$ -	\$ 427,696
Payments to Vendors	(1,751,962)	34,627	(31,868)	850	(1,796,305)
Payments to Employees	(364,651)	(18,135)	(33,445)	(9,623)	(447,689)
Net Cash Provided by (Used in) Operating Activities	(1,688,917)	16,492	(65,313)	(8,773)	(1,816,298)
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES					
Federal Grant Income	1,153,703	675,676	(18,108)	138,378	3,407,892
Other Receipts (Payments)	(1,426)	(1,101,587)	300,229	-	(1,827,132)
Transfers	162,602	373,792	(43,109)	(129,734)	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	1,314,879	(52,119)	239,012	8,644	1,580,760
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of Fixed Assets	-	-	(173,699)	-	(173,699)
Net Cash Used in Capital and Related Financing Activities	-	-	(173,699)	-	(173,699)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Income	1,459	243	-	129	2,124
Net Cash Provided by Investing Activities	1,459	243	-	129	2,124
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(372,579)	(35,384)	-	-	(407,113)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	398,250	35,384	-	-	433,634
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 25,671	\$ -	\$ -	\$ -	\$ 26,321

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2008

	Business-type Activities - Enterprise Funds					
	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Other Federal Program	Total
Operating Loss	\$ (2,108,742)	\$ (18,725)	\$ (118,144)	\$ (9,623)	\$ (69,787)	\$ (2,325,021)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:						
Depreciation	387,481	-	52,831	-	-	440,312
Change in Assets and Liabilities:						
Decrease in Accounts Receivable from Tenants	(12,591)	-	-	-	-	(12,591)
Increase in Prepaid Expenses	5,325	-	-	850	-	6,175
Decrease (Increase) in Inventory	20,504	-	-	-	-	20,504
Increase (Decrease) in Bank Overdraft	15,389	35,217	-	-	-	50,606
Increase (Decrease) in Accounts Payable and Accrued Expenses	18,533	-	-	-	-	18,533
Increase (Decrease) in Other Liabilities	(1,232)	-	-	-	-	(1,232)
Increase (Decrease) in Compensated Absences	(13,584)	-	-	-	-	(13,584)
Net Cash Provided by (Used In) Operating Activities	\$ (1,688,917)	\$ 16,492	\$ (65,313)	\$ (8,773)	\$ (69,787)	\$ (1,816,298)

**RECONCILIATION OF OPERATING LOSS TO NET
CASH USED IN OPERATING ACTIVITIES**

Operating Loss
Adjustments to Reconcile Operating Loss to
Net Cash Used In Operating Activities:
Depreciation
Change in Assets and Liabilities:
Decrease in Accounts Receivable from Tenants
Increase in Prepaid Expenses
Decrease (Increase) in Inventory
Increase (Decrease) in Bank Overdraft
Increase (Decrease) in Accounts Payable and Accrued Expenses
Increase (Decrease) in Other Liabilities
Increase (Decrease) in Compensated Absences

The notes to the financial statements are an integral part of this statement.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of St. John the Baptist Parish's accounting and reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial principles. The following is a summary of significant policies:

1. REPORTING ENTITY

The Housing Authority of St. John the Baptist Parish (The "Housing Authority") was created to administer funds, through the issuance of bonds and U.S. Department of Housing and Urban Development (HUD) annual contribution contracts to promote decent, safe and sanitary housing for lower-income families that cannot afford standard private housing.

The Housing Authority has a five-member appointed Board of Commissioners and is headed by an Executive Director. It has the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. This report includes all funds of the Housing Authority.

As of September 30, 2008, the Housing Authority had the following number of units under its programs:

<u>Management Program</u>	<u>Grant ID No.</u>	<u>Number of Units</u>
PHA Owned Housing	FW-1422	302
Section 8 Programs		
Housing Choice Vouchers		132
DHAP		198
THU		33
DVP		2

Under the provisions of GASB Statement No. 14, the Housing Authority is considered a primary government. It is a special purpose government that has a separate governing body that is legally separate and is fiscally independent of other state and local governments.

In determining how to define the reporting entity, management has considered all potential component units. The determination that there were no component units in the reporting entity was made by applying the criteria set forth in Section 2100 and 600 of the Codification of the Government Accounting and Financial Reporting Standards and GASB Statement No. 14. These criteria include manifestation of oversight responsibility; including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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 is maintained consistent with legal and managerial requirements.

The accounting policies of the Housing Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority are rental charges to tenants. The Housing Authority has no governmental or fiduciary funds. All assets and liabilities associated with the proprietary funds' activities are included on its Statement of Net Assets.

The Housing Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

3. BUDGETS

The Housing Authority adopted budgets for all funds. The budget for the Capital Fund Program is a multiple-year budget.
HUD approves all budgets for HUD funded programs.

4. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include short-term investments with maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in interest-bearing demand deposit, money market, or time deposit accounts with state banks organized under Louisiana law and national banks that have their principal offices in Louisiana.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. INVESTMENTS

Investments are limited by La. 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 for financial reporting purposes. If the original maturities are 90 days or less, they are classified as cash equivalents.

6. SHORT-TERM INTERFUND RECEIVABLES AND PAYABLES

Transactions between individual funds occur during the course of operations. The receivables and payables resulting from these transactions are classified as "advances to other contracts" and "advances from other contracts" on the Statement of Net Assets.

7. INVENTORIES AND PREPAID ITEMS

Inventories are valued at cost, on a first-in, first-out basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Housing Authority's Statement of Net Assets.

8. CAPITAL ASSETS

Capital assets are recorded at historical cost and are depreciated over their estimated useful lives. Capital assets include all items costing over \$500. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	40
Automotive Equipment	5
Furniture, Fixtures, and Other Equipment	3-7

9. ACCOUNTS RECEIVABLE FROM TENANTS

Accounts receivable from tenants are stated at net realizable value as required by generally accepted accounting principles. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of September 30, 2008, the amount of \$9,409 was recorded as the allowance for doubtful accounts from tenants.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2008**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his retirement or termination date.

11. DEFERRED REVENUE

The Housing Authority classifies as deferred revenues certain revenues under temporary programs that require a refund of any grants that are not expended during the period of the grant.

12. NET ASSETS

Restrictions, when appropriate, represent those portions of fund equity that are not appropriate for expenses and are legally segregated for a specific future use. There were no restrictions of net assets.

13. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - CASH AND INVESTMENTS

The Housing Authority maintains deposit accounts in a national bank. At September 30, 2008, the carrying amount of the Housing Authority's bank deposits was \$26,521 and the bank balance was \$79,857. The difference was primarily due to outstanding checks. The bank balance was covered by Federal depository insurance up to \$100,000. In compliance with State laws, any balances exceeding \$100,000 were secured by bank owned securities specifically pledged to the Housing Authority and held by an independent custodian bank jointly in the name of the Housing Authority and the depository bank. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2008

NOTE B - CASH AND INVESTMENTS (CONTINUED)

State statutes authorize the Housing Authority to invest in the following types of securities:

1. Fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana.
2. Direct obligations of the U.S. Government, including such instruments as treasury bills, treasury notes and treasury bonds.
3. Obligations of U.S. Government agencies that are deliverable on the Federal Reserve System.
4. Repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

The Housing Authority had no investments at September 30, 2008.

Interest income on cash and cash equivalents totaled \$2,124 for the year ended September 30, 2008.

NOTE C - CAPITAL ASSETS

Details of the Housing Authority's capital assets balances and current activity are as follows:

	Balance Oct. 1, 2007	Additions	Deletions	Balance Sept. 30, 2008
Land	\$ 171,875	\$ -	\$ -	\$ 171,875
Buildings	12,104,848	91,426	(71,812)	12,124,462
Building Improvements	1,351,121	-	-	1,351,121
Furniture and Equipment	501,700	82,273	(48,865)	535,108
Construction in progress	-	-	-	-
Subtotals	<u>14,129,544</u>	<u>173,699</u>	<u>(120,677)</u>	<u>14,182,566</u>
Less:				
Accumulated Depreciation	<u>(10,219,373)</u>	<u>(440,312)</u>	<u>120,677</u>	<u>\$ (10,539,008)</u>
Fixed Assets, Net	<u>\$ 3,910,171</u>	<u>\$ (266,613)</u>	<u>\$ -</u>	<u>\$ 3,643,558</u>

Depreciation expense was \$440,312 for the year ended September 30, 2008.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2008

NOTE D - RETIREMENT PLAN

The Housing Authority has adopted a defined retirement plan under Section 401(a) of the Internal Revenue Code, with the following specifications and amendments to the plan.

- a. All regular full-time employees are eligible to participate in the Plan after attaining age 18 and completing 6 months of continuous and uninterrupted employment with the Authority.
- b. Employee contributions are five percent (5%) of basic employee compensation. Such contributions and all increments and decrements attributable thereto shall be non-forfeitable.
- c. Employer contributions are seven and one-half percent (7.5%). Participating employees shall vest at the rate of twenty percent (20%) for each full year of continuous employment with the Housing Authority.
- d. The normal retirement date shall be the first day of the month following the participating employee's 60th birthday.
- e. This defined contribution plan is administered by a third party and they have full control of the funds on deposit in accordance with the above terms and conditions of the plan.

The Housing Authority's and covered employee's contributions to this plan totaled \$12,928 for the year ended September 30, 2008.

NOTE E - COMPENSATED ABSENCES

As of September 30, 2008, employees of the Housing Authority had accumulated \$21,294 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. Following is a summary of the compensated absence transactions for the year:

Balance at beginning of year	\$34,878
Additions	10,912
Deductions	<u>(24,496)</u>
Balance at end of year	<u>\$21,294</u>
Amounts due within one year	<u>\$ 8,517</u>

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2008

NOTE F - PAYMENT IN LIEU OF PROPERTY TAXES

In accordance with a cooperation agreement with the Parish of St. John the Baptist Parish, the Housing Authority is not required to pay property taxes. Instead, the Housing Authority is required to make payments in lieu of property taxes if and when funds may become available. No payments in lieu of property taxes were required nor made for the year ended September 30, 2008.

NOTE G - BOARD OF COMMISSIONERS' COMPENSATION

The members of the Board of Commissioners of the Housing Authority are compensated for serving on the Board. Each member receives \$200 per month.

NOTE H - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a summary of interfund receivables and payables included in the Housing Authority's combined Statement of Net Assets under the captions "Advances to Other Contracts" and "Advances from Other Contracts" as of September 30, 2008.

	<u>Advances To</u>	<u>Advances From</u>
Public Housing	\$ 68,552	\$ 192,362
Housing Choice Vouchers	260,565	643,489
Capital Fund Program	6,899	68,552
Disaster Voucher Program	204,836	-
Disaster Housing Voucher Program	<u>438,653</u>	<u>75,102</u>
Total	<u>\$ 979,505</u>	<u>\$ 979,505</u>

NOTE I - 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. The Housing Authority maintains commercial insurance to mitigate these risks.

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND
For the Year Ended September 30, 2008

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	DHAP	TOTAL
ASSETS:							
CURRENT ASSETS:							
Cash:							
111.0	Cash - Unrestricted		\$ -	\$ -	\$ -	\$ -	-
113.0	Cash - Other Restricted		-	-	-	-	-
114.0	Tenant Security Deposit	25,671	-	-	-	850	26,521
100.0	Total Cash	25,671	-	-	-	850	26,521
Accounts and notes receivables:							
122.0	Accounts Receivable - HUD Other Projects	580	94,235	68,552	-	-	163,367
124.0	Accounts Receivable - Other Government	-	-	-	-	-	-
126.0	Accounts Receivable - Tenants	42,795	-	-	-	-	42,795
126.1	Allowance for Doubtful Accounts - Tenants	(9,409)	-	-	-	-	(9,409)
126.2	Accounts Receivable- Miscellaneous	8	-	-	-	-	8
128.0	Accounts Receivable- Fraud Recovery	209	-	-	-	-	209
120.0	Total receivables, net of allowance for doubtful accounts	34,183	94,235	68,552	-	-	196,970
Current investments							
131.0	Investments - Unrestricted	-	-	-	-	-	-
132.0	Investments - Restricted	-	-	-	-	-	-
142.0	Prepaid Expenses and Other Assets	145,200	-	-	-	-	145,200
143.0	Inventories	28,741	-	-	-	-	28,741
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144.0	Interprogram - Due From	68,552	260,565	6,899	204,836	438,653	979,505
150.0	TOTAL CURRENT ASSETS	\$ 302,347	\$ 354,800	\$ 75,451	\$ 204,836	\$ 439,403	\$ 1,376,937

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2008

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	DHAP	TOTAL
	NONCURRENT ASSETS						
	Fixed Assets						
161	Land	\$ 171,875	-	\$ -	-	-	\$ 171,875
162	Buildings	11,672,596	-	451,866	-	-	12,124,462
163	Furniture, Equipment & Machinery - Dwellings						
164	Furniture, Equipment & Machinery - Administration	77,757	-	53,488	-	-	131,245
165	Leasehold Improvements	328,819	-	75,044	-	-	403,863
166	Accumulated Depreciation	1,351,121	-	-	-	-	1,351,121
167	CIP	(10,455,537)	-	(83,471)	-	-	(10,539,008)
160	Total fixed assets, net of accumulated depreciation	3,146,631	-	496,927	-	-	3,643,558
171	Notes and Mortgages Receivable - Noncurrent	-	-	-	-	-	-
172	Notes and Mortgages Receivable - Past Due	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-
176	Investment in Joint Ventures	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	3,146,631	-	496,927	-	-	3,643,558
190	TOTAL ASSETS	\$ 3,448,978	\$ 354,800	\$ 572,378	\$ 204,836	\$ 439,503	\$ 5,020,495

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS BY FUND (CONTINUED)
For the Year Ended September 30, 2008

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	DHAP	TOTAL
LIABILITIES AND EQUITY:							
LIABILITIES:							
CURRENT LIABILITIES:							
311	Bank Overdraft	\$ 15,389	\$ 44,371	\$ -	\$ -	\$ -	\$ 59,760
312	Accounts Payable < 90 Days	109,606	-	-	-	-	109,606
313	Accounts Payable > 90 Days Past Due	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	44,011	-	-	-	-	44,011
322	Accrued Compensated Absences - Current	8,517	-	-	-	-	8,517
323	F.S.S. Escrow Liability	-	-	-	-	-	-
324	Accrued Contingency Liability	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	-	-
331	Accounts Payable - HUD	-	-	-	-	-	-
332	Accounts Payable - Other Government	-	-	-	-	-	-
341	Tenant Security Deposits	19,482	-	-	-	-	19,482
342	Deferred Revenues	1,822	-	-	-	-	1,822
343	Current Portion of						
	Long-Term Debt - Capital Projects	-	-	-	-	-	-
344	Current Portion of Long-Term Debt	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-
347	Inter-Program - Due To	192,362	643,489	68,552	-	75,102	979,505
310	TOTAL CURRENT LIABILITIES	\$ 391,189	\$ 687,860	\$ 68,552	\$ -	\$ 75,102	\$ 1,222,703

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2008

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	DHAP	TOTAL
	NONCURRENT LIABILITIES						
351	Long-Term Debt,						
	Net of Current - Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
352	Long-Term Debt, Net of						
	of Current - Operating Borrowings	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	12,777	-	-	-	-	12,777
350	TOTAL NONCURRENT LIABILITIES	12,777	-	-	-	-	12,777
300	TOTAL LIABILITIES	403,966	687,860	68,552	-	75,102	1,235,480
501	EQUITY:						
	Investment In General Fixed Assets	-	-	-	-	-	-
502	Contributed Capital:						
	Project Notes (HUD)	-	-	-	-	-	-
503	Long-Term Debt - HUD Guaranteed	-	-	-	-	-	-
504	Net HUD PHA Contributions	-	-	-	-	-	-
505	Other HUD Contributions	-	-	-	-	-	-
507	Other Contributions	-	-	-	-	-	-
508	Total contributed capital	-	-	-	-	-	-
508.1	Invested in Capital Assets,						
	Net of Related Debt	\$ 3,146,631	\$ -	\$ 496,927	\$ -	\$ -	\$ 3,643,558

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2008

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	DHAP	TOTAL
	Reserved fund balance:						
509	Reserved for Operating Activities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
510	Reserved for Capital Activities	-	-	-	-	-	-
511	Total reserved fund balance	-	-	-	-	-	-
511.1	Restricted Net Assets	-	-	-	-	-	-
512	Undesignated	-	-	-	-	-	-
	Fund Balance/ Retained Earnings						
512.1	Unrestricted Net Assets	(101,619)	(333,060)	6,899	204,836	364,401	141,457
513	TOTAL EQUITY	3,045,012	(333,060)	503,826	204,836	364,401	3,785,015
600	TOTAL LIABILITIES AND EQUITY	\$ 3,448,978	\$ 354,800	\$ 572,378	\$ 204,836	\$ 439,503	\$ 5,020,495

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND
For the Year Ended September 30, 2008

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	DHAP	TOTAL
REVENUE:							
703	Dwelling Rental Revenue	\$ 432,206	-	\$ -	-	-	\$ 432,206
704	Tenant Revenue - Other	9,313	-	-	-	-	9,313
705	Total tenant revenue	441,519	-	-	-	-	441,519
706	HUD PHA Grants	1,108,129	713,261	-	138,378	1,458,243	3,418,011
706.1	Capital Grants	-	-	-	-	-	-
708	Other Government Grants	-	-	-	-	-	-
711	Investment Income - Unrestricted	1,459	243	-	129	293	2,124
712	Mortgage Interest Income	-	-	-	-	-	-
714	Fraud Recovery	-	-	-	-	-	-
715	Other Revenue	(1,426)	-	300,229	-	-	298,803
716	Gain or Loss on the Sale of Fixed Assets	-	-	-	-	-	-
720	Investment Income - Restricted	-	-	-	-	-	-
700	TOTAL REVENUE	\$ 1,549,681	\$ 713,504	\$ 300,229	\$ 138,507	\$ 1,458,536	\$ 4,160,457

NOTE: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2008

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	DHAP	TOTAL
EXPENSES:							
Administrative							
911	Administrative Salaries	\$ 239,370	\$ 17,087	\$ 31,068	\$ 9,067	\$ 20,574	\$ 317,166
912	Auditing Fees	31,868	-	-	-	-	31,868
914	Compensated Absences	8,517	-	-	-	-	8,517
915	Employee Benefit Contributions - Administrative	103,180	1,048	2,377	556	1,261	108,422
916	Other - Operating Administrative	439,839	590	-	-	47,952	488,401
Utilities							
931	Water	248,886	-	-	-	-	248,886
932	Electricity	23,889	-	-	-	-	23,889
933	Gas	162,397	-	-	-	-	162,397
	Fuel	1,180	-	-	-	-	1,180
	Other Utilities	900	-	-	-	-	900
Ordinary Maintenance & Operation							
941	Ordinary Maintenance and Operations - Labor	184,877	-	-	-	-	184,877
942	Ordinary Maintenance and Operations - Materials & Other	160,888	-	-	-	-	160,888
943	Ordinary Maintenance and Operations - Contract Costs	141,918	-	-	-	-	141,918
945	Employee Benefit Contributions - Ordinary maintenance	85,966	-	-	-	-	85,966
952	Protective Services - Other Contract Costs	\$ 75	\$ -	\$ 31,868	\$ -	\$ -	\$ 31,943

NOTE: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.
(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2008

Line Item #	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	DHAP	TOTAL
General expenses							
961	Insurance Premiums	\$ 285,488	\$ -	\$ -	\$ -	\$ -	\$ 285,488
962	Other General Expenses	17,741	-	-	-	-	17,741
964	Bad Debt - Tenant Rents	20,765	-	-	-	-	20,765
967	Interest Expense	5,016	-	-	-	-	5,016
968	Severance Expense	-	-	-	-	-	-
	TOTAL OPERATING EXPENSES	2,162,780	18,725	65,313	9,623	69,787	2,326,228
970	Excess Operating Revenue Over Operating Expenses	(613,099)	694,779	234,916	128,884	1,388,749	1,834,229
971	Extraordinary Maintenance	-	-	-	-	-	-
973	Housing assistance payments	-	1,101,587	-	-	1,024,348	2,125,935
974	Depreciation Expense	387,481	-	52,831	-	-	440,312
978	Dwelling Units Rent Expense	-	-	-	-	-	-
900	TOTAL EXPENSES	2,550,261	1,120,312	118,144	9,623	1,094,135	4,892,475
OTHER FINANCING SOURCES							
1001	Operating Transfers In	54,318	-	-	-	-	54,318
1002	Operating Transfers Out	-	-	(54,318)	-	-	(54,318)
1010	TOTAL OTHER FINANCING SOURCES (USES)	54,318	-	(54,318)	-	-	-
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENSES	\$ (946,262)	\$ (406,808)	\$ 127,767	\$ 128,884	\$ 364,401	\$ (732,018)

NOTE: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2008

<u>Line Item #</u>	<u>Account Description</u>	<u>Low Rent Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>Public Housing Capital Fund Program</u>	<u>Disaster Voucher Program</u>	<u>DHAP</u>	<u>TOTAL</u>
		\$	\$	\$	\$	\$	\$
1101	Capital Contributions	-	-	-	-	-	-
1102	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-
1103	Beginning Equity	3,991,274	73,748	376,059	75,952	-	4,517,033
1104	Prior Period Adjustments and Equity Transfers	-	-	-	-	-	-
1120	Unit Months Available	3,564	946	-	674	-	5,184
1121	Number of Unit Months Leased	3,158	892	-	674	-	4,724
1117	Administrative Fee Equity	-	38,364	-	-	-	38,364
1118	Housing Assistance Payments Equity	-	35,384	-	-	-	35,384

NOTE: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
COMPENSATION PAID TO BOARD MEMBERS
For the Year Ended September 30, 2008**

The members of the Board of Commissioners are as follows:

<u>Commissioner</u>		<u>Annual Compensation</u>
Rev. Donald Brown	Chairman	\$ 1,500
Rev. Forell Bering	Vice Chairman	1,500
Priscilla James		1,500
Allen Smith		900
Raydel Morris		1,500

SINGLE AUDIT SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • www.rebowe.com

INDEPENDENT AUDITOR'S 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

Board of Commissioners
Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana

We have audited the financial statements of the business-type activities and each major fund of the Housing Authority of St. John the Baptist Parish (the "Housing Authority") as of and for the year ended September 30, 2008, which collectively comprise the Housing Authority's basic financial statements and have issued our report thereon dated September 24, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings and Questioned Costs as item 2008-01.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

September 24, 2009

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Board of Commissioners
Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana

Compliance

We have audited the compliance of the Housing Authority of St. John the Baptist Parish (the "Housing Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2008. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority's compliance with those requirements.

As described in items 2008-02 through 2008-08 in the accompanying Schedule of Findings and Questioned Costs, the Housing Authority did not comply with requirements regarding major federal programs as follows:

Major Federal Program

Compliance Requirement

Disaster Voucher Program (DVP)	Eligibility Documentation; Allowable Costs
Housing Choice Voucher Program	Allowable Activities; Allowable Costs; Reporting Requirements; Eligibility
Disaster Housing Assistance Program	Reporting Requirements; Allowable Costs

In our opinion, except for the noncompliance described above, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements the business-type activities and each major fund of the Housing Authority as of and for the year ended September 30, 2008 and have issued our report thereon dated September 24, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

September 24, 2009

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2008**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Grant ID No.</u>	<u>Federal Program Expenditures</u>
U.S. Department of Housing And Urban Development			
Direct Programs:			
Low-Income Housing			
Operating Subsidy	14.850	LA 09500104S	\$ 1,108,129
Section 8 - Housing Choice Voucher	14.871	LA 181VO	713,261
Disaster Voucher Program	14.871		<u>138,378</u>
Total			<u>1,959,768</u>
U.S. Department of Homeland Security			
Direct Programs:			
Disaster Housing Assistance Program	97.109		<u>1,458,243</u>
Total			<u>1,458,243</u>
Total of all Programs			<u>\$ 3,418,011</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2008**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal awards of the Housing Authority reporting entity as defined in Note 1 to the Housing Authority's basic financial statements. All federal awards were received directly from Federal Agencies.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority and is presented on the accrual basis of accounting.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

	<u>Revenues</u>
Low Rent Public Housing	\$ 1,108,129
Section 8- Housing Choice Voucher	713,261
Disaster Voucher Program	138,378
Disaster Housing Assistance Program	<u>1,458,243</u>
Total	<u><u>3,418,011</u></u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - FEDERAL AWARDS

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority's operating income from rents or income from 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.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2008

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Housing Authority.
2. No significant deficiencies in internal control over financial reporting are reported in the *Independent Auditor's 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*.
3. One instance of noncompliance material to the financial statements of the Housing Authority, which would be required to be reported in accordance Government Auditing Standards, was disclosed during the audit. The instance of noncompliance is described in the accompanying Schedule of Findings and Questioned Costs as item number 2008-01.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards*.
5. The auditor's report on compliance for the major federal award programs for the Housing Authority expresses an unqualified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for the Housing Authority are reported in this schedule in accordance with Section 510(a) of OMB Circular A-133. These findings are described in the accompanying Schedule of Findings and Questioned Costs as items 2008-02 through 2008-08.
7. The following programs were identified as major programs:

<u>NAME OF FEDERAL PROGRAM</u>	<u>CFDA NUMBER</u>
Housing Choice Voucher Program	14.871
Disaster Voucher Program	14.871
Disaster Housing Assistance Program	97.109

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Housing Authority did qualify as a low-risk auditee.
10. No management letter was issued for the year ended September 30, 2008.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2008-01 TIMELY SUBMISSION OF FINANCIAL STATEMENTS

Type of Finding: Compliance

The audit report was not submitted to the Legislative Auditor's office by its due date six months after the fiscal year end. Due to delays in HUD's release of the reporting tool to submit the Housing Authority's Real Estate Assessment Center (REAC), the Authority was unable to complete its REAC submission before March 31, 2009. The Housing Authority requested and received an extension of the deadline from the Legislative Auditor until June 30, 2009. The Housing Authority was unable to meet that deadline as well, due to delays in receiving requested documents.

Auditor's Recommendation

The Housing Authority should submit its audit reports to the Legislative Auditor's office on a timely basis.

Management's Response

The Housing Authority will mandate that the fee accountant prepare monthly financial statements and submit reports to the Housing Authority by the 10th working day of the following month. Such action will ensure that information necessary to prepare year end documents are readily available, in order to prepare and submit the required audit report to the Legislative Auditor's office in a timely manner.

Contact Person

Ms. Lawand Johnson, Executive Director, Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, Laplace, Louisiana 70068, (985) 652-9036.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM
AUDIT**

2008-02 FAILURE TO PERFORM BACKGROUND CHECKS ON TENANTS

Federal Program: All programs requiring a background check

Compliance Requirement: Tenant Eligibility

The Authority is required to complete a background check on all household members over the age of 18 who will be assisted under any HUD program. Due to a communication breakdown with the local sheriff's office and the National Crime Information Center, the Authority ceased performing background checks at some point during 2007. No background checks were completed on new tenants until after the fiscal year end.

Auditor's Recommendation

The Authority should find a new vendor to complete background checks on a timely basis.

Management's Response

The Housing Authority engaged a vendor which is providing "applicant background check" on behalf of other housing authorities, to complete background checks on a timely basis. The Executive Director or her designee will review 100% of applicants on the waiting list contacted for "screening." A copy of the waiting list which shows they are "next" will be attached to the background check report, prior to the applicant being processed to receive an apartment. Upon completion of the intake process, 100% of the applicants files will be reviewed and the lease signed by the Executive Director or her designee.

Contact Person

Ms. Lawand Johnson, Executive Director, Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, Laplace, Louisiana 70068, (985) 652-9036.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

2008-03 MISCALCULATION OF PORTABILITY ADMINISTRATIVE FEES

Federal Program: 14.871 – Housing Choice Voucher Program
Compliance Requirement: Allowable Activities/Allowable Costs

Per the *Federal Register 24 CFR part 982.355*, the Authority should bill the initial public housing authority an administrative fee in addition to the housing assistance payment when a tenant moves to another area (“ports”). The administrative fee, determined by HUD, is based on the Authority’s fair market rental rates and changes frequently. The administrative rates have not been maintained on a regular basis and updated for any changes that HUD releases. It is estimated that the total of errors in administrative fees was approximately \$6,700.

Auditor’s Recommendation

Portability Fees and the related HAP payments should be reconciled to reflect updated administrative fees. Additionally, the PHA should delegate this responsibility to an employee that is not directly involved in tenant processing on a quarterly basis.

Management’s Response

The Housing Authority has hired a new financial administrator. This person will bill the initial housing authority for related HAP and administrative fees. He will ensure that HUD’s changes in Fair Market Rents and Administrative Fees current and are reconciled to ensure the “Rents & Fees” billed are in compliance.

Contact Person

Ms. Lawand Johnson, Executive Director, Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, Laplace, Louisiana 70068, (985) 652-9036.

2008-04 ANNUAL INSPECTION OF DWELLING UNITS

Federal Program: 14.871 – Housing Choice Voucher Program
Compliance Requirement: Special Reporting

Per the *Federal Register 24 CFR part 982.405*, inspections on tenant units must be done at least annually. Not completing inspections on a timely basis could cause unsafe living conditions to exist in dwelling units.

Of the 21 files tested for the Disaster Voucher Program, three (3) tenant’s inspections were not completed within one year. Of the three, one tenant had not received an inspection since July 2007 and housing assistance payments were still being paid to the landlord.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

Of the 39 files tested for the Housing Choice Voucher Program, four (4) tenant's inspections were not completed within one year. Of the four, one tenant had not received an inspection since December 2007 and housing assistance payments were still being paid to the landlord.

It was noted that the Housing Authority does not keep a log of failed inspections. This is a requirement for the annual SEMAP certification. It was not possible to verify the number of failed inspections. The Housing Authority does not document failed inspections in an organized manner. This includes retaining copies of letters sent to tenants and landlords in the tenant's file.

Inconsistencies were noted in the form that was used for inspections by the Housing Authority. It appeared that the Housing Authority was using an older version of HUD's inspection report in some cases.

Auditor's Recommendation

The Housing Authority should perform inspections annually during the tenant's recertification process using the most updated HUD approved inspection report. The Authority should also begin tracking all failed inspections and document communication attempts with landlords and tenants in the tenant's file.

Management's Response

The Housing Authority is now performing annual HQS inspections concurrent with the tenant's recertification process, using the current HUD approved inspection report. All failed inspections are being entered into a separate "log" and monitored to ensure that the dwelling unit meets HQS compliance. A copy of written correspondence with the tenant and landlord is placed in respective files and in the failed unit "log."

The Housing Authority will update its inspection/recertification procedure in the form of a written policy to be approved by the Housing Board of Commissioners.

Contact Person

Ms. Lawand Johnson, Executive Director, Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, Laplace, Louisiana 70068, (985) 652-9036.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

2008-05 DEFICIENCIES IN TENANT FILE DOCUMENTATION

Federal Program: 14.871 – Housing Choice Voucher (“HCV”) Program
Compliance Requirement: Eligibility

The Housing Authority, in order to comply with HCV requirements, must perform the following functions to verify and document the eligibility of the tenant and all other household members over the age of 18 (“the family”) into the program:

1. Select all families from a managed waiting list. (*Federal Register 24 CFR sections 982.202 through 982.207*)
2. Calculate the family’s housing assistance payment (“HAP”) and utility assistance allowance through a third party verification of reported family income, the value of assets, expenses related to deductions from annual income and other factors that affect the determination of adjusted income or income-based rent. (*Federal Register 24 CFR section 982.516*)
3. Re-examine family income and composition at least once every 12 months using third party verification and adjust the family’s HAP as necessary. (*Federal Register 24 CFR section 982.516*)
4. The family must sign a HUD approved authorization for release of information form each time the Housing Authority performs a verification of information through a third party. (HUD Form 9886 or 9887) (*Federal Register 24 CFR section 982.516(g)*)
5. The Housing Authority must submit a HUD Form 50058, Family Report, electronically to the HUD PIC system each time a change is made to the family’s file. (*Federal Register 24 CFR part 908 and 24 CFR section 982.158*)
6. The Housing Authority must perform a rent reasonableness test on the selected unit to determine if the rent is reasonable when compared to similar units. (*Federal Register 24 CFR section 982.507*)

Other required file documentation includes copies of birth certificates and social security cards for all family members.

Of the 50 files tested for the DHAP program:

- Four (4) tenants had incorrect information in the Disaster Information System (DIS).
- Five (5) tenants were incorrectly assigned to the Housing Authority’s internal project designation for Phase I families when they should have been assigned to the project for Phase II and III families.
- One (1) tenant did not complete an individual needs assessment package as part of the case management requirement of the program.
- One (1) tenant file did not have a copy of a lease with the landlord while being assisted under DHAP.
- One (1) tenant contract was not filled out.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

Of the 21 files tested for the DVP program:

- One (1) tenant file did not contain a signed HUD Form 9886 for an adult household member.
- Seven (7) tenant files did not have documentation of participation in public housing prior to Hurricane Katrina. The Authority improperly shredded documentation before three years had passed.

Of the 39 files tested for the HCV program:

- One (1) tenant file did not contain a signed HUD Form 9886 for the tenant or the other adult household members.

Auditor's Recommendation

The Housing Authority needs to strengthen its tenant processing procedures and implement a stringent quality control review of tenant files. The Housing Authority should devise a checklist for new tenant processing and recertification processing to assist staff members in completing tenant files.

Management's Response

The Housing Authority agrees with the recommendation and will strengthen its processing procedures and its quality control review for both new intake and recertification processing. There is now a procedure being followed which will be developed into a written policy for adoption by the Board of Commissioners.

Contact Person

Ms. Lawand Johnson, Executive Director, Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, Laplace, Louisiana 70068, (985) 652-9036.

2008-06 MISCALCULATION OF HOUSING ASSISTANCE PAYMENTS

Federal Program: All voucher programs

Compliance Requirement: Allowable Costs

Of the 39 files tested for the HCV program:

- Four (4) landlords received overpayments of rent. The amount overpaid was approximately \$3,000.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

Of the 50 files tested for the DHAP program:

- 27 tenant's housing assistance payments were incorrectly calculated.
 - o The value of underpayments to landlords was approximately \$5,254.
 - o The value of overpayments to landlords was approximately \$9,009.Most of this was due to the Housing Authority's inconsistent treatment of rent increment changes from March through September 2008. It should be noted that the Housing Authority did experience a turnover in accounting personnel during that time.
- One (1) tenant was incorrectly assigned to the Housing Choice Voucher Program prior to being transitioned to the program after DHAP ended. The amount overpaid to landlords was approximately \$1,200.

Of the 21 files tested for the DVP program:

- One (1) tenant was incorrectly assigned to the Housing Authority's internal project designation for the HCV program prior to the conversion.
- The Housing Authority was instructed to convert all DVP tenants to the HCV program as of January 1, 2008. The conversion included examining the family's income and calculating rent based on the information provided. The Housing Authority did not complete this conversion until March 1, 2008. As a result, all DVP tenants received housing assistance payments in January and February 2008 that were not reflective of an income-based calculation of rent. It is unlikely that the Housing Authority will receive reimbursement for these tenants. The total error in housing assistance payments was estimated to be approximately \$30,000 for all 48 DVP tenants. (*PIH Notice 2007-17*)

Auditor's Recommendation

The number of vouchers that the Housing Authority manages has exponentially increased in the past year. However, the size of its staff has not. It was noted that the Housing Authority is understaffed and not equipped to handle the workload that the DVP and DHAP programs entail. HUD does not specify how many vouchers should be assigned to staff, but Chapter 21 of the Housing Choice Voucher Program Guidebook provided statistical information. Due to HUD's conversion of DVP and certain DHAP tenants to the HCV program, the Housing Authority will continue to experience an increase in the workload. Typically, a housing authority the same size as the Housing Authority of St. John the Baptist Parish would have one full-time employee per 100 vouchers.

The Housing Authority should consider hiring at least one more full-time employee to assist with tenant processing and inspections for the HCV program. If this option does not appear to be feasible, the Housing Authority should consider out-sourcing tenant processing for voucher programs to a third party vendor.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

Management's Response

The Housing Authority agrees with the Auditor's observation "that the number of vouchers the Housing Authority manages has exponentially increased in the past year. However, the size of its staff has not." The Auditor states, "It was noted that the Housing Authority is understaffed and not equipped to handle the workload that the DVP and DHAP programs entail." This observation offers a clear explanation as to why only 1 of 39 HCV program tenant files had a HUD form that did not contain a required signature.

The Housing Authority will assess its staffing and consider requesting an additional clerical position from the State Civil Service Department. HUD does not specify the number of vouchers which should be assigned to each staff position. However, State Civil Service does have a ration by staff classification.

Also, the Housing Authority will ask the Auditor's assistance in identifying the tenant files with Auditor's findings, and the Housing Authority will correct the findings. Correction of findings will include addressing underpayments and overpayments as noted. This should correct the \$3,755 disparity.

Contact Person

Ms. Lawand Johnson, Executive Director, Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, Laplace, Louisiana 70068, (985) 652-9036.

2008-07 FAILURE TO FOLLOW OPERATING REQUIREMENTS

Federal Program: 14.DVP- Disaster Voucher Program

In accordance with HUD PIH Notice 2006-12, the Housing Authority was instructed to enter and maintain all DVP tenants in HUD's Disaster Information System. The Authority did not maintain any DVP tenants in the HUD Disaster Information System (DIS).

Federal Program: 97.109 Disaster Housing Assistance Program

In accordance with the DRSC and *PIH Notice 2007-26*, the PHA must conduct a limited inspection in a reasonable time (as determined by the PHA) after the effective date of the DRSC to ensure that the unit's current condition does not contain any life-threatening deficiencies (as also determined by the PHA). Of the 50 files tested for the Disaster Housing Assistance Program, only two (2) tenants had received inspections.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

The Housing Authority did not perform a rent reasonableness test on any tenants in the DHAP program. In accordance with PIH Notice 2007-26, if the owner subsequently wishes to increase the rent in either case while the unit is under the DRSC, the PHA must determine that the proposed new rent is reasonable in accordance with this section. The PHA may not approve the rent increase if the resulting rent is not reasonable.

The Housing Authority did not use a HUD specific release form such as form 9886. Housing Authority personnel used a release of information clause included on the family obligation certification. It should be noted that HUD did not specify that the Housing Authority should use a form 9886 and that there was very little communication from HUD regarding tenant processing for DHAP. However, in the event that a new program is introduced and little guidance is offered, we believe that the Housing Authority should use HUD approved forms and procedures.

The Housing Authority's staff did not seem to have a clear understanding of the operating requirements of the DVP and DHAP programs. We observed that the staff at the Housing Authority was unaware of how to access updated federal guidelines for each specific program and HUD's PIH Notices. HUD released all changes to both programs through PIH Notices.

Auditor's Recommendation

The Housing Authority should implement weekly or biweekly meetings to disseminate and discuss program related PIH Notices from HUD and any other federal guidelines that are unfamiliar to staff members.

Management's Response

The Housing Authority agrees with the Auditor's recommendation. The Housing Authority will hold biweekly meetings with staff to discuss and train program related Notices from HUD and other sources related to staff assignments. During this period of "crisis" the Housing Authority did not have sufficient contact with HUD. It was a real learning experience with FEMA, HUD, and housing authorities. In future such situations, the Housing Authority will be better prepared to perform more timely and with better compliance.

Contact Person

Ms. Lawand Johnson, Executive Director, Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, Laplace, Louisiana 70068, (985) 652-9036.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2008**

2008-08 HUD REPORT 60002

Federal Program: 14.850 – Public and Indian Housing Program and
14.871 – Housing Choice Voucher Program

Each grant that is involved in development, operating or modernization assistance is required to submit HUD Form 60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons. The Authority did not complete and submit this report in 2008.

Auditor's Recommendation

The Housing Authority should train its employees on the reporting requirements of all federal programs.

Management's Response

On-going efforts are being made to keep all employees adequately trained.

Contact Person

Ms. Lawand Johnson, Executive Director, Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, Laplace, Louisiana 70068, (985) 652-9036.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended September 30, 2008**

SECTION I. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

SECTION II. FINDINGS AND QUESTIONED UNITS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

SECTION III. OBSERVATIONS REPORTED IN THE MANAGEMENT LETTER

Not applicable.