

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA****TWELVE MONTHS ENDED SEPTEMBER 30, 2011**

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 **JUN 13 2012****Mike Estes, P.C.**
A Professional Accounting Corporation

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Independent Auditor's Report

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

We have audited the accompanying basic financial statements of each major fund of the Housing Authority of St. Charles Parish, Louisiana as of and for the year ended September 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of St. Charles Parish, Louisiana's management. Our responsibility is to express opinions 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 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 each major fund of the Housing Authority of St. Charles Parish, Louisiana, as of September 30, 2011, 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 May 14, 2012, on our consideration of the Housing Authority of St. Charles Parish, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 listed in the table of contents 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 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 as a whole. The accompanying Schedule of Expenditures of Federal Awards, presented for purposes of additional analysis as required by OMB Budget Circular A-133, the Financial Data Schedules required by HUD, and other accompanying information are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates 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 additional 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mike Estes, P. C.

Mike Estes, P.C
Fort Worth, Texas
May 14, 2012

HOUSING AUTHORITY OF ST. CHARLES, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SEPTEMBER 30, 2011

Housing Authority of St Charles, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2011

The management of Public Housing Authority of St Charles, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2011. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$3,201,354 at the close of the fiscal year ended 2011
 - ✓ Of this amount \$2,202,711 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ Also of this amount, \$525,714 of net assets are restricted for the Housing Choice Voucher program
 - ✓ The remainder of \$497,929 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 15% of the total operating expenses of \$3,219,048 for the fiscal year 2011, which means the Authority might be able to operate about 2 months using the unrestricted assets alone, compared to 3 months in the prior fiscal year
- The Housing Authority's total net assets decreased by \$3,799. This decrease is attributable to significant decreases in Federal grants for both operations and capital improvements, described in more detail below.
- The decrease in net assets was accompanied by an increase in cash and cash equivalents of \$92,608.
- The Authority spent \$443,698 on capital asset additions and \$99,809 on construction in progress during the current fiscal year.
- These changes led to a decrease in total assets by \$184,611 and an increase in total liabilities by \$185,302. As related measure of financial health, there are still over \$2 of current assets covering each dollar of total current liabilities, which compares to \$3 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2011?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

| | |
|---|--------------------|
| Low Rent Public Housing | \$ 531,564 |
| Public Housing Capital Fund Program | 65,752 |
| Housing Choice Vouchers | 2,082,272 |
| DHAP | <u>267,549</u> |
| Total funding received this current fiscal year | <u>\$2,947,137</u> |

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Housing Authority of St. Charles, Louisiana
 Management's Discussion and Analysis (MD&A)
 September 30, 2011

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.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$3,201,354 as of September 30, 2011. Of this amount, \$2,202,711 was invested in capital assets, and the remaining \$497,929 was unrestricted. There were \$500,714 in specific assets restricted Housing Choice Voucher (HCV) program, for tenant security deposits and future housing payment reserves.

CONDENSED FINANCIAL STATEMENTS

**Condensed Statement of Net Assets
 As of September 30, 2011**

| | <u>2011</u> | <u>2010</u> |
|--|-------------------------|-------------------------|
| ASSETS | | |
| Current assets | \$1,096,084 | \$1,589,101 |
| Assets restricted for Housing Choice Voucher (HCV) program, | 682,571 | 251,741 |
| Capital assets, net of depreciation | <u>2,202,711</u> | <u>2,325,135</u> |
| Total assets | <u>3,981,366</u> | <u>4,165,977</u> |
| LIABILITIES | | |
| Current liabilities | 720,200 | 586,150 |
| Non-current liabilities | <u>59,812</u> | <u>8,560</u> |
| Total liabilities | <u>780,012</u> | <u>594,710</u> |
| NET ASSETS | | |
| Invested in capital assets, net of depreciation | 2,202,711 | 2,325,135 |
| Net assets restricted for the Housing Choice Voucher program | 500,714 | 251,741 |
| Unrestricted net assets | <u>497,929</u> | <u>994,391</u> |
| Total net assets | <u>3,201,354</u> | <u>3,571,267</u> |
| Total liabilities and net assets | <u>3,981,366</u> | <u>4,165,977</u> |

Housing Authority of St Charles, Louisiana
 Management's Discussion and Analysis (MD&A)
 September 30, 2011

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds decreased by \$3,799, or by 0%, from those of fiscal year 2010, as explained below. In the narrative that follows, the detail factors causing this change are discussed.

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Fiscal Year Ended September 30, 2011**

| | 2011 | 2010 |
|--|---------------------|------------------|
| OPERATING REVENUES | | |
| Dwelling rental | \$ 167,452 | \$ 169,092 |
| Governmental operating grants | 2,881,385 | 3,238,472 |
| Other | 97,656 | 8,228 |
| Total Operating Revenues | 3,146,493 | 3,415,792 |
| OPERATING EXPENSES | | |
| Administration | 315,308 | 429,428 |
| Tenant services | 37,190 | 0 |
| Utilities | 197,316 | 212,261 |
| Ordinary maintenance & operations | 228,223 | 228,170 |
| General expenses | 135,905 | 125,561 |
| Depreciation | 224,613 | 198,757 |
| Extraordinary maintenance | 10,450 | 20,625 |
| Housing assistance payments | 2,070,043 | 2,220,345 |
| Total Operating Expenses | 3,219,048 | 3,435,147 |
| Income (Loss) from Operations | (72,555) | (19,355) |
| Non Operating Revenues (Expenses) | | |
| Interest earnings | 3,004 | 6,411 |
| Total Non-Operating Revenues (Expenses) | 3,004 | 6,411 |
| Income (Loss) before contribution | (69,551) | (12,944) |
| Capital Contribution | 65,752 | 533,287 |
| Change in net assets | (3,799) | 520,343 |
| Total net assets - beginning unadjusted | 3,571,267 | 2,875,729 |
| Prior period adjustments | (366,114) | 175,195 |
| Total net assets - beginning adjusted | 3,205,153 | 3,050,924 |
| Total net assets - ending | \$ 3,201,354 | 3,571,267 |

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating, non-operating revenues, and capital contribution decreased \$740,241, or by 19%, from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$7,479, or by 4%, from that of the prior fiscal year due to the amount of rent each tenant pays which is based on a sliding scale of their personal income. Though some tenants' personal incomes decreased and rent revenue from these tenants decreased accordingly, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) decreased by \$9,119.
- Federal revenues from HUD for operations decreased by \$357,087, or by 11%, from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, as well as other factors, and then uses this final result as a basis for determining the grant amount.
- Federal Capital Funds from HUD decreased by \$467,535, or by 88%, from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2008 through 2010.
- Total other non-operating revenue increased by \$89,428 from that of the prior fiscal year.
- Interest income decreased by \$3,407, or by 53%, from that of the prior fiscal year due to fluctuating interest rates from economic instability.

Compared with the prior fiscal year, total operating expenses decreased \$216,099, or by 6%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense increased by \$25,856, or by 13%, from that of the prior fiscal year, because there was an increase in capital assets by \$102,190.
- Maintenance and repairs increased changed by a few dollars.
- General Expenses increased by \$10,344, or by 8%, from that of the prior fiscal year. PILOT is calculated as a percentage of rent minus utilities which, therefore, changed proportionately to the changes in each of these, primarily because insurance premiums decreased by \$3,916 (since property and casualty insurance premiums decreased), whereas other general expenses decreased by \$4,228, or by 19%. Lastly, bad debts increased by \$331, and compensated absences increased by \$18,158 from that of the prior fiscal year.

Housing Authority of St Charles, Louisiana
 Management's Discussion and Analysis (MD&A)
 September 30, 2011

- Administrative Expenses decreased by \$114,120, or by 26%, from that of the prior fiscal year, due to a combination of offsetting factors. Administrative staff salaries decreased by \$27,914, and related employee benefit contributions decreased by \$1,343, therefore, total staff salaries and benefit costs decreased by 16%. In addition, audit fees decreased by \$3,550, management fees paid to outside consultants decreased by \$105,348, and legal fees decreased by \$7,828; thus, total outside professional fees decreased by 84%. Finally, staff training/travel reimbursements decreased by \$724, office expenses decreased by \$17,986, and sundry expenses increased by \$51,111; therefore, other staff administrative expense increased by 32%.
- Housing Assistance Payments to landlords decreased by \$150,302, or by 7%, from that of the prior fiscal year, because there was a decrease in the number of tenants qualifying for subsidy during the year.
- Utilities Expense decreased by \$14,946, or by 7%, from that of the prior fiscal year, due to numerous cumulative factors. Water cost decreased by \$12,934 due to a decrease in consumption by 3%, electricity cost increased by \$1,916 due to an increase in consumption by 9%, gas cost decreased by \$7,390 due to a decrease in consumption by 9%, and finally, other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) decreased by \$3,927, or by 3%, from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2011, the Housing Authority had a total cost of \$7,907,259 invested in a broad range of assets and construction in progress from projects funded in 2007 through 2009, listed below. This amount, not including depreciation, represents increases of \$102,190 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation
 As of September 30, 2011**

| | <u>2011</u> | <u>2010</u> |
|--------------------------|------------------|------------------|
| Land | \$ 13,028 | \$ 13,028 |
| Construction in progress | 237,814 | 579,323 |
| Buildings | 1,820,945 | 1,620,101 |
| Leasehold improvements | 67,907 | 67,907 |
| Furniture and equipment | <u>63,017</u> | <u>44,776</u> |
| Total | <u>2,202,711</u> | <u>2,325,135</u> |

As of the end of the 2011 fiscal year, the Authority is still in the process of completing HUD grants of \$529,881 obtained during 2008 through 2010 fiscal years. A total remainder of \$96,189 will be received and \$264,267 will be spent for completing these projects during fiscal year 2012.

Housing Authority of St. Charles, Louisiana
Management's Discussion and Analysis (MD&A)
September 30, 2011

Debt

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations, therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2012 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Leala Jackson, at Public Housing Authority of St Charles, Louisiana; P O Box 448, St Charles, LA 70039.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT OF NET ASSETS

SEPTEMBER 30, 2011

| | General | Housing Choice Voucher | Total |
|---|---------------------|---------------------------|---------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 213,897 | \$ 677,916 | \$ 891,813 |
| Investments | 74,000 | 0 | 74,000 |
| Accounts receivable net | 6,993 | 73,553 | 80,546 |
| Prepaid items and other assets | 41,023 | 1,323 | 42,346 |
| Inventory | 7,379 | 0 | 7,379 |
| Restricted assets - cash and cash equivalents | 9,400 | 673,171 | 682,571 |
| Total Current Assets | 352,692 | 1,425,963 | 1,778,655 |
| Capital Assets, net | | | |
| Land and other non-depreciated assets | 250,842 | 0 | 250,842 |
| Other capital assets - net of depreciation | 1,947,826 | 4,043 | 1,951,869 |
| Total Capital Assets, net | 2,198,668 | 4,043 | 2,202,711 |
| Total Assets | \$ 2,551,360 | \$ 1,430,006 | \$ 3,981,366 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 45,629 | \$ 211,077 | \$ 256,706 |
| Deferred revenue | 1,565 | 445,903 | 447,468 |
| Compensated absences payable | 4,536 | 2,090 | 6,626 |
| Deposits due others | 9,400 | 0 | 9,400 |
| Total Current Liabilities | 61,130 | 659,070 | 720,200 |
| Noncurrent Liabilities | | | |
| Compensated absences payable | 32,482 | 27,330 | 59,812 |
| Total Liabilities | 93,612 | 686,400 | 780,012 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 2,198,668 | 4,043 | 2,202,711 |
| Restricted | 0 | 500,714 | 500,714 |
| Unrestricted | 259,080 | 238,849 | 497,929 |
| Net Assets | 2,457,748 | 743,606 | 3,201,354 |
| Total Liabilities and Net Assets | \$ 2,551,360 | \$ 1,430,006 | \$ 3,981,366 |

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

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS

YEAR ENDED SEPTEMBER 30, 2011

| | General | Housing Choice Voucher | Total |
|--|---------------------|---------------------------|------------------|
| OPERATING REVENUES | | | |
| Dwelling rental | \$ 167,452 | \$ 0 | \$ 167,452 |
| Governmental operating grants | 531,564 | 2,349,821 | 2,881,385 |
| Other | 12,100 | 85,556 | 97,656 |
| Total Operating Revenues | 711,116 | 2,435,377 | 3,146,493 |
| OPERATING EXPENSES | | | |
| Administration | 144,422 | 170,886 | 315,308 |
| Tenant services | 290 | 36,900 | 37,190 |
| Utilities | 197,316 | 0 | 197,316 |
| Ordinary maintenance & operations | 228,223 | 0 | 228,223 |
| General expenses | 98,627 | 37,278 | 135,905 |
| Depreciation | 222,640 | 1,973 | 224,613 |
| Extraordinary maintenance | 10,450 | 0 | 10,450 |
| Housing assistance payments | 0 | 2,070,043 | 2,070,043 |
| Total Operating Expenses | 901,968 | 2,317,080 | 3,219,048 |
| Income (Loss) from Operations | (190,852) | 118,297 | (72,555) |
| Non Operating Revenues (Expenses) | | | |
| Interest earnings | 1,869 | 1,135 | 3,004 |
| Total Non-Operating Revenues (Expenses) | 1,869 | 1,135 | 3,004 |
| Income (Loss) before contribution | (188,983) | 119,432 | (69,551) |
| Capital Contribution | 65,752 | 0 | 65,752 |
| Change in net assets | (123,231) | 119,432 | (3,799) |
| Total net assets - beginning unadjusted | 2,592,771 | 978,496 | 3,571,267 |
| Prior period adjustments | (11,792) | (354,322) | (366,114) |
| Total net assets - beginning adjusted | 2,580,979 | 624,174 | 3,205,153 |
| Total net assets - ending | \$ 2,457,748 | 743,606 | 3,201,354 |

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

HOUSING AUTHORITY OF ST CHARLES PARISH, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2011

| | General | Housing Choice Voucher | Total |
|---|-------------------|---------------------------|-------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Rental receipts | \$ 147,690 | \$ 0 | \$ 147,690 |
| Other receipts | 12,800 | 198,278 | 211,078 |
| Federal grants | 564,790 | 2,313,713 | 2,878,503 |
| Payments to vendors | (504,857) | (221,763) | (726,620) |
| Payments to employees – net | (161,318) | (92,196) | (253,514) |
| Payments to private landlords | 0 | (2,132,693) | (2,132,693) |
| | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided (used) by operating activities | 59,105 | 65,339 | 124,444 |
| | <u> </u> | <u> </u> | <u> </u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Purchase of capital assets | (102,189) | 0 | (102,189) |
| Federal Capital Grants | 65,752 | 0 | 65,752 |
| | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided (used) by capital and related financing activities | (36,437) | 0 | (36,437) |
| | <u> </u> | <u> </u> | <u> </u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from investment maturities | 1,597 | 0 | 1,597 |
| Interest income | 1,869 | 1,135 | 3,004 |
| | <u> </u> | <u> </u> | <u> </u> |
| Net cash provided (used) by investing activities | 3,466 | 1,135 | 4,601 |
| | <u> </u> | <u> </u> | <u> </u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 26,134 | 66,474 | 92,608 |
| CASH AND CASH EQUIVALENTS Beginning of Fiscal Year | 197,163 | 1,284,613 | 1,481,776 |
| | <u> </u> | <u> </u> | <u> </u> |
| CASH AND CASH EQUIVALENTS End of Fiscal Year | \$ 223,297 | 1,351,087 | 1,574,384 |
| | <u> </u> | <u> </u> | <u> </u> |

Continued

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2011

| | General | Housing Choice Voucher | Total |
|--|------------------|---------------------------|-------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ (190,852) | \$ 118,297 | \$ (72,555) |
| Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation Expense | 222,640 | 1,973 | 224,613 |
| Prior period adjustments | (11,792) | (354,322) | (366,114) |
| Provision of uncollectible accounts | (6,280) | 0 | (6,280) |
| Change in assets and liabilities: | | | |
| Receivables | 33,385 | (73,413) | (40,028) |
| Inventories | (7,767) | 0 | (7,767) |
| Prepaid items | 5,871 | 6,259 | 12,130 |
| Account payables | 32,521 | 147,087 | 179,608 |
| Deferred revenue | (19,321) | 219,458 | 200,137 |
| Deposits due others | 700 | 0 | 700 |
| Net cash provided (used) by operations | \$ 59,105 | \$ 65,339 | \$ 124,444 |

Concluded

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

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

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**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2011

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

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the parish declaring a need for the Housing Authority to function in such parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Board of Commissioners of St. Charles Parish Policy Jury, serve staggered multi-year terms.

The Housing Authority has the following units:

| | |
|-------------------------|--------------|
| PHA Owned Housing | 129 units |
| Section 8 | |
| Housing Choice Vouchers | 373 vouchers |

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of St. Charles Parish since St. Charles Parish appoints a voting majority of the Housing Authority's governing board. St. Charles Parish is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, St. Charles Parish. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of St. Charles Parish.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

**HOUSING AUTHORITY OF ST CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2011

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

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

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

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher program, the Disaster Housing Assistance Program [DHAP-Katrina], and the Disaster Housing Assistance Program-Ike [DHAP-Ike]. The only aspect of DHAP-Katrina at year end is restricted cash on hand, for disaster use only.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$1,574,384. This is comprised of cash and cash equivalents of \$891,813 and restricted assets – cash of \$682,571, on the statement of net assets.

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

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

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

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

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

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2011

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting

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

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$300. After year end, the threshold was raised to \$2,500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management’s estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

| | |
|-------------------------|-------------|
| Site improvements | 15 years |
| Buildings | 15-40 years |
| Building improvements | 15 years |
| Furniture and equipment | 5-7 years |

J. DEFERRED REVENUES The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

K. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred 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/her retirement or termination date.

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2011

M. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

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

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2011. Deposits are stated at cost, which approximates fair value.

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

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$9,400 is restricted in the General Fund for security deposits. \$673,171 is restricted in the Housing Choice Voucher fund for HAP Equity.

At September 30, 2011, the Housing Authority's carrying amount of deposits was \$1,648,384 and the bank balance was \$1,669,121, which includes \$74,000 in certificates of deposits classified as investments. \$354,604 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$1,314,517 was covered by pledged securities. However, this \$1,314,157 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2011

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2011, are as follows:

| <u>Class of Receivables</u> | <u>General</u> | <u>Housing Choice Voucher</u> | <u>Total</u> |
|-----------------------------|-----------------|-----------------------------------|------------------|
| Local sources: | | | |
| Tenants | \$ 175 | \$ 0 | \$ 175 |
| Other | 0 | 140 | 140 |
| Federal sources: | | | |
| Grants | 6,818 | 73,413 | 80,231 |
| Total | \$ 6,993 | \$ 73,553 | \$ 80,546 |

The \$73,413 receivable is the calculated DHAP-Ike settlement. The tenants account receivable is net of an allowance for doubtful accounts of \$1,645.

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---------------------------------------|------------------------------|-------------------|-------------------|---------------------------|
| Non-depreciable assets | | | | |
| Land and buildings | \$ 13,028 | \$ 0 | \$ 0 | \$ 13,028 |
| Construction in progress | 579,323 | 99,809 | 441,318 | 237,814 |
| Depreciable assets. | | | | |
| Buildings | 6,961,987 | 398,033 | 0 | 7,360,020 |
| Furniture and equipment | 250,732 | 45,665 | 0 | 296,397 |
| Total capital assets | 7,805,070 | 543,507 | 441,318 | 7,907,259 |
| Less: accumulated depreciation | | | | |
| Buildings | 5,273,979 | 207,117 | 0 | 5,481,096 |
| Furniture and equipment | 205,956 | 17,496 | 0 | 223,452 |
| Total accumulated depreciation | 5,479,935 | 224,613 | 0 | 5,704,548 |
| Total capital assets, net | \$ 2,325,135 | \$ 318,894 | \$ 441,318 | \$ 2,202,711 |

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS**

SEPTEMBER 30, 2011

NOTE 5 – ACCOUNTS PAYABLE The payables at September 30, 2011 are as follows:

| | General | Housing Choice Voucher | Total |
|--|-----------|---------------------------|------------|
| Vendors | \$ 28,283 | \$ 2,813 | \$ 31,096 |
| Payroll taxes & Retirement withheld | 0 | 5,571 | 5,571 |
| Utilities | 17,346 | 0 | 17,346 |
| Federal sources. Grants | 0 | 202,693 | 202,693 |
| Total | \$ 45,629 | \$ 211,077 | \$ 256,706 |

NOTE 6 – COMPENSATED ABSENCES At September 30, 2011, employees of the Housing Authority have accumulated and vested \$66,438 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 7 – LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended September 30, 2011.

| | Compensated Absences |
|-------------------------|-------------------------|
| Balance, beginning | \$ 55,690 |
| Additions | 43,213 |
| Deletions | 32,465 |
| Balance, ending | 66,438 |
| Amounts due in one year | \$ 6,626 |

NOTE 8 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Agency Retirement Trust (HART), which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan on the first day of the month after completing six continuous months of employment.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5% of his effective compensation. The employer is required to make monthly contributions equal to 5% of each participant's effective compensation, and may make an additional contribution of up to 2%.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the HART may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$7,179 for the year ended September 30, 2011, of which \$4,183 was paid by the Housing Authority and \$2,996 was paid by employees. No payments were made out of the forfeiture account.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments On November 30, 2010, the Authority entered into an Employment Agreement with the Executive Director. The agreement was effective on the above date, and is for five years.

The Board must give due notice and follow certain procedures to terminate the Executive Director for cause. The Board may also terminate the Executive Director without cause, when the Board deems such termination is in the best interest of the Authority. In such event the Authority will pay the remainder of the annual base salary as if the Executive Director had remained as an employee for the entire five year period.

According to the Agreement, the Executive Director earns vacation and sick time according to the Civil Service scale used for classified employees. However, the leave is not capped. The Executive Director, if separated from service for any reason, is due the accrued vacation time.

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

Construction Projects There are certain renovation or construction projects in progress at September 30, 2011. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk

This includes coverage of property, general liability, public liability, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that it s own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$2,947,137 to the Housing Authority, which represents approximately 90% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 11 – SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net assets sheet date through the date of the independent auditor's report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure

NOTE 12 – PRIOR PERIOD ADJUSTMENTS \$366,114 of audit adjustments were necessary to correct accounting errors made in the prior year. The principal one was an adjustment of \$277,265 of the beginning balance of DHAP-Katrina, to correct the overstatement of the recognition of revenues versus expenses. In addition, in the April 2012 HAP-Ike settlement for Admin Fees, HUD deemed \$94,707 to be ineligible HAP costs. Other adjustments included a \$39,377 adjustment to the beginning balance of compensated absences payable.

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**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**

Housing Authority of St. Charles Parish
Boutte, Louisiana

We have audited the basic financial statements of each major fund of the Housing Authority of St. Charles Parish, Louisiana, as of and for the year ended September 30, 2011 and have issued our report thereon dated May 14, 2012. 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 of St Charles Parish, Louisiana's internal control over financial reporting as a basis for designing 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 of St. Charles Parish, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of St. Charles Parish, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Audit Finding 11-02 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of St. Charles Parish, Louisiana'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Audit Finding 11-02.

The Housing Authority of St. Charles Parish, Louisiana's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority of St. Charles Parish, Louisiana's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Commissioners, 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.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
May 14, 2012

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**Report on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133**

Independent Auditor's Report

Housing Authority of St Charles Parish
Boutte, Louisiana

Compliance

We have audited the Housing Authority of St. Charles Parish, Louisiana compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of St. Charles Parish, Louisiana's major federal programs for the year ended September 30, 2011. The Housing Authority of St. Charles Parish, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of St Charles Parish, Louisiana's management. Our responsibility is to express an opinion on the Housing Authority of St. Charles Parish, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 of St. Charles Parish, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority of St. Charles Parish, Louisiana's compliance with those requirements.

As described in Audit Findings 11-02 in the accompanying schedule of findings and questioned costs, the Housing Authority of St. Charles Parish, Louisiana did not comply with requirements regarding Reporting that is applicable to the Section Eight program. Compliance with such requirements is necessary, in our opinion, for the Housing Authority of St Charles Parish, Louisiana to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Housing Authority of St. Charles Parish, Louisiana complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 11-02 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 11-01, 11-03, and 11-04 to be significant deficiencies.

The Housing Authority of St. Charles Parish, Louisiana's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority of St. Charles Parish, Louisiana's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, 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.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
May 14, 2012

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED SEPTEMBER 30, 2011

| FEDERAL GRANTOR PROGRAM TITLE | CDFA NO. | PROGRAM EXPENDITURES |
|---|---------------------|---------------------------------|
| U. S. Department of Housing and Urban Development Direct Programs: | | |
| Low-Income Housing Operating Subsidy | 14.850a | \$ 531,564 |
| Capital Fund Program | 14.872 | 65,752 |
| Housing Choice Voucher | 14.871 | 2,082,272 |
| Disaster Housing Assistance Payments (Ike) | 14 Ike | 267,549 |
| Total United States Department of Housing and Urban Development | | \$ 2,947,137 |
| Total Expenditures of Federal Awards | | \$ 2,947,137 |

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED SEPTEMBER 30, 2011

NOTE 1 – GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of St. Charles Parish, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

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

| | <u>Federal Sources</u> |
|-----------------------|------------------------|
| Enterprise Funds | |
| Federal grants | 2,881,385 |
| Capital contributions | 65,752 |
| | <hr/> |
| Total | \$ 2,947,137 |
| | <hr/> <hr/> |

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

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED SEPTEMBER 30, 2011

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unqualified

2. Internal Control Over Financial Reporting:

| | | | | |
|--|---------------|-----|---------------|---------------|
| a. Material weakness(es) identified? | <u> ✓ </u> | yes | <u> </u> | no |
| b. Significant deficiency(ies) identified? | <u> </u> | yes | <u> ✓ </u> | none reported |

| | | | | |
|---|--------------|-----|---------------|----|
| 3 Noncompliance material to financial statements noted? | <u> ✓ </u> | yes | <u> </u> | no |
|---|--------------|-----|---------------|----|

Audit of Federal Awards

1. Internal Control Over Major Programs.

| | | | | |
|--|--------------|-----|---------------|---------------|
| a. Material weakness(es) identified? | <u> ✓ </u> | yes | <u> </u> | no |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | <u> ✓ </u> | yes | <u> </u> | none reported |

2. Type of Auditor’s Report Issued on Compliance For Major Programs – Unqualified.

| | | | | |
|---|--------------|-----|---------------|----|
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | <u> ✓ </u> | yes | <u> </u> | no |
|---|--------------|-----|---------------|----|

4. The programs tested as major programs include:

| | |
|--------------|--|
| CFDA# 14.850 | Public and Indian Housing – Low Rent Program |
| CFDA# 14.871 | Section 8 Housing Choice Voucher |
| CFDA# 14.872 | Capital Fund |
| CFDA# 14.885 | American Recovery and Reinvestment Act |

5 Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

| | | | | |
|---|---------------|-----|--------------|----|
| 6. Auditee qualified as low-risk auditee? | <u> </u> | yes | <u> ✓ </u> | no |
|---|---------------|-----|--------------|----|

HOUSING AUTHORITY OF ST CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2011

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

The last several audits, including the one for the year ended September 30, 2010, were performed by another auditor.

All Programs

Finding 11-01-Audited Financial Statements Not Timely Delivered

Statement of Condition

The audited financial statements were not delivered to the Office of the Legislative Auditor by the March 31, 2012 due date.

Criteria

Louisiana Revised Statute 24:513 requires the submission of audited financial statements within six months of year end.

Effect

Third parties were not able to review the audited financial statements on a timely basis.

Cause

The Authority has participated in disaster assistance programs, including for the hurricane disasters Katrina and Ike. This necessitates additional record keeping, and much more correspondence with HUD. The increased work delays the time when the fee accountants can deliver the unaudited statements to HUD-REAC. Then, the accountants must wait on approval from HUD-REAC before the books are considered ready for audit and available to send to the auditors.

Recommendation

The disaster programs are winding down, which should in large part correct the problem. In addition, the Authority needs to continue to send information to the fee accountant as soon as possible, and monitor the fee accountant's progress.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2011

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Housing Choice Voucher Program

[Includes Housing Choice Voucher, DHAP-Katrina and DHAP-Ike]

Finding 11-02-Lack of Adequate Control Check Of Financial Statements

Statement of Condition

Material audit adjustments were necessary that were not brought to our attention by management. The complexities of accounting for the disaster programs contributed to the complexity of the accounting.

In addition, it appears the communication between the prior auditor, management, and the fee accountant was not as good as it should be

Criteria

The July 2007 Revision [and earlier versions] of Government Auditing Standards state that generally accepted government auditing standards incorporate AICPA auditing standards.

Under Statement on Auditing Standards [SAS] #115, effective for years ended 12/31/09 and after, [prior to this, SAS #112 was in effective with similar language], material audit adjustments are evidence of a weakness in the internal control over reporting, which are usually deemed to be at least a significant deficiency, if not a material weakness.

In addition, the Government Accountability Office [GAO] adopted SAS #112 internal control terminology in January 2007, and later adopted SAS #115 terminology. In June 2007, the OMB revised Circular A-133 to adopt SAS #112 internal control terminology, and later adopted SAS #115 terminology.

Effect

Material audit adjustments were necessary for total liabilities, total income, and total expense. The principal error involved the liability for Ports Out. In addition, material total adjustments were necessary to total assets. But, it appears that the material adjustments to total assets [accounts receivable-HUD] were not the fault of management. The settlement statement for DHAP-Ike was not received until April 25, 2012. The settlement does not include some items an accountant would reasonably consider to estimate the settlement.

Cause

The complexity of the disaster programs and to a lesser extent, accounting for Ports Out, contributed to the material audit adjustments.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2011

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Recommendation

The fee accountant needs to improve on timely providing accurate ports out info to the fee accountant. The Authority presently possesses software that will adequately track the ins and outs of the accounts Ports Out. For example, the software that tracks Low Rent tenant accounts receivable could be used. Excel and other software may be used. Beginning of the month balances should be established, daily changes recorded, and ending monthly balances reviewed.

In addition, the fee accountant needs to improve the quality control process. For this Authority, the fee accountant should consider a third level of review.

Housing Choice Voucher Program

Finding 11– 03 – Quality Control Checks Need Improvement

Statement of Condition

We reviewed twenty regular Housing Choice Voucher files and four DHAP-Ike files. Issues were noted as follows:

1. Payment standards were timely changed and tied to 100% of the area FMRs. However, the changes were not made to the software used to generate the 50058s. In every instance, the old payment standards were used.
2. Two annual physical inspections were past due and appeared to still not have been performed.
3. One annual re-examination was past due and appeared to still not have been performed.
4. Two past-due EIV checks were noted, and appeared to still have not been performed.
5. The Authority is not currently maintaining a HAP Register.
6. HUD's Quality Assurance Division performed a DHAP-Ike review in March 2011. They noted some issues in addition to the above.

Criteria

SAS #115 described in Criteria above, Finding 11-02, requires that adequate control checks be performed over significant functions. Particulars of HAP and tenant payments are always significant. Other SASs require quality control checks over federal compliance and what constitutes adequate documentation of the control checks.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2011

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Effect

It appears there were immaterial, if any, errors in HAPs or tenant payments as a result of using the incorrect payment standards. As noted above in #s 2-4, there were a few immaterial exceptions of compliance with federal compliance. The Authority appears to have the information required by the HAP Register in other sources

Cause

The Authority's quality control sample sizes were not adequate. The Final Rule for SEMAP dictates the minimum sample sizes. The minimum sample sizes for Indicators 1 and 2 were met. However, the sample sizes for Indicators 3, 5, and 6 were not of sufficient size as directed by the Final Rule. In addition, the Authority did not have a list of all failed inspections for Indicator 6, and the required follow up info.

Recommendation

We have reviewed quality control documentation required by the SAS and SEMAP with management. In addition, we have left them various ways of documenting the SEMAP samples that other authorities use, and that HUD has deemed acceptable. In the future, the Authority should ensure that the sample sizes are adequate. In addition, the Board of Commissioners should review and approve each year's payment standards and also the SEMAP certification.

Low Rent Program

Finding 11-04-Quality Control Checks Need Improvement

Statement of Condition

We reviewed twenty-five tenant files. Issues were noted as follows:

1. In three files, the annual re-certifications were not done on a timely basis.
2. In five files, there was no evidence that EIV checks were made timely at re-certification.
3. Annual maintenance inspections were not performed timely in five instances.
- 4 In one instance, the amount of tenant rent per the 50058 did not agree to the amount charged on the rental register.
5. There is no evidence that the area FMRs have been re-evaluated in the last few years to determine whether the flat rent charged by bedroom size should be adjusted.
6. The documentation of the check for the Mandatory Earned Income Disregard [MEID] should be improved.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2011

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Criteria

SAS #115 described in Criteria above, Finding 11-02, requires that adequate control checks be performed over significant functions. Particulars of tenant rent calculations are always significant. Other SASs require quality control checks over selection from the waiting list, determination of tenant eligibility, and other items of federal compliance and also what constitutes adequate documentation of the control checks.

Effect

No errors were noted in the calculation of tenant rent. As noted above, there were errors noted in federal compliance.

Cause

It appears the sample size of quality control was not adequate. In addition, the quality control procedures need to be improved.

Recommendation

We have discussed methods to document the quality control with management. Management needs to adequately document in the future.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2011

Section III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):

The findings in Section II apply here, also

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2011

I am Leala Jackson, Executive Director and Designated Person to answer these findings. I am the person primarily responsible to make sure these findings are corrected. In all instances, our Board Chairman, Mrs. Tyrell Cornwell, will do the overall monitoring to make sure the findings are corrected.

All Programs

1 Corrective Action Plan Finding 11-01-Audited Financial Statements Not Timely Delivered

Contact person – Executive Director.

Corrective action plan – Response:

As the auditor stated, the disaster programs are winding down. DHAP-Katrina is finished. The last housing assistance payments for DHAP-Ike were made early in 2012. We will work with our fee accountant closely to ensure the books and records are timely available to our auditor for the audit for the year ended September 30, 2012.

Anticipated completion date – March 31, 2013, which is the state filing deadline for the next annual report.

Housing Choice Voucher Program

[Includes Housing Choice Voucher, DHAP-Katrina, and DHAP-Ike]

2. Corrective Action Plan Finding 11-02-Lack Of Adequate Control Check Of Financial Statements

Contact person – Executive Director.

Corrective action plan – Response:

In the last few days, we have established procedures to have correct balances on Ports Out at any point in time. In the future, we will send accurate balances to our fee accountant regarding Ports Out

Anticipated completion date – Within sixty days of the date of the audit report.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2011

Housing Choice Voucher Program

3. Corrective Action Plan Finding 11-03-Quality Control Checks Need Improvement

Contact person – Executive Director.

Corrective action plan - Response:

We are in the process of adapting our own spreadsheets, based on examples given by the auditor. We will use the spreadsheets to improve our documentation of quality control. Our software is capable of generation the required HAP Register. We will do so in the future.

Anticipated completion date – Within sixty days of the date of the audit report.

Low Rent Program

4. Corrective Action Plan Finding 11-04-Quality Control Checks Need Improvement

Contact person – Executive Director.

Corrective action plan - Response:

We will consider the auditor's suggestions and better documentation of quality control in the future.

Anticipated completion date – Within sixty days of the date of the audit report.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

The last several audits, including the one for the year ended September 30, 2010, were performed by another auditor.

All Programs

Finding 10-01-Audited Financial Statements Not Timely Delivered

Condition

The audited financial statements were not delivered to the Office of the Legislative Auditor by the due date.

Recommendation

Management needs to evaluate and resolve all issues that impact the timely audit and submission of its audited financial statements.

Current Status

This finding is repeated in the current audit.

Housing Choice Voucher Program [Includes Housing Choice Voucher, DHAP-Katrina and DHAP-Ike]

Finding 10-02-Lack Of Adequate Control Check Of Financial Statements

Condition

Management does not possess the technical ability in house to facilitate the timely completion and review of financial statements. In addition, the internal control design over significant general ledger accounts and processes need improvement.

Recommendation

Management needs to re-evaluate its internal control system. In addition, management needs to ensure the timely preparation and review of its financial statements.

Current Status

The current auditor believes that management, when input from the fee accountant is timely received and considered, does have adequate technical ability. However, the design and operation of internal control reporting concerning Section Eight Ports Out still needs improvement. This finding is repeated in the current audit. Finding 11-02 addresses the Section Eight Ports Out.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

All Programs

Finding 10-03-Various Accounting Errors

Condition

Material misclassifications were noted. In addition, inconsistent allocations of shared costs were noted. Also, subsidiary ledgers' totals did not always agree to the totals of the general ledger.

Recommendation

Management needs to re-evaluate its internal control system. In addition, management needs to ensure the timely preparation and review of its financial statements.

Current Status

The issues of inconsistent allocations of shared costs and the subsidiary ledger totals' agreeing to the general ledger were cleared in the current audit. However, material audit adjustments were again needed. This part of the finding is repeated, as part of the issue in Finding 11-02.

Low Rent Program

Finding 10-04-Improper Handling of Tenant Collection Losses and Tenant Receivables

Condition

There was no documentation of approval or authorization by the Board of Commissioners of charge offs for tenant receivable bad debt write-offs.

Recommendation

Management should communicate with its fee accountant the importance of management and the Board's approval of tenant collection losses.

Current Status

This finding is cleared in the current audit

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Housing Choice Program

Finding 10-05-Material Misclassifications

Condition

Material misclassifications were noted in the Disaster Programs.

Recommendation

The auditor recommended that management review the general ledger accounts for completeness.

Current Status

HUD issued additional guidance for the disaster programs, which aided proper classification in the current audit. Still, material adjustments were needed in the current audit. This finding is repeated, as part of the issue of Finding 11-02.

All Programs

Finding 10-06-Issues Noted About Management and Fee Accountant

Condition

An ineffective coordination between the fee accountant and management was noted. In addition, according to the auditor, management does not have the technical ability to prepare timely accurate financial statements.

Recommendation

Management needs to re-evaluate its internal control system. In addition, management should ensure the timely preparation and review of its financial statements.

Current Status

This finding is similar to Finding 10-02. As noted in the Current Status of 10-02, the current auditor believes that management, when input from the fee accountant is timely considered, does have adequate technical ability. This finding was repeated as part of Finding 11-02.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

All Programs

Finding 10-07-Various Accounting Errors

This is a word for word repeat of Finding 10-03. See previous page.

Housing Choice Voucher Program

Finding 10-08-Lack Of Timely Submission Of HUD 50058s

Condition

In nine of nine files tested, the 50058s were not timely submitted.

Recommendation

Management should review its existing monitoring procedures to ensure the complete processing and filing of required data.

Current Status

This finding is repeated in Finding 11-03.

Housing Choice Voucher Program

Finding 10-09-Lack Of Sufficient Evidence Of Check Of Tenant Income

Condition

In one of the nine files we reviewed, the auditor noted the lack of documented evidence to support independent third party verification of tenant income.

Recommendation

Management should review its certification and re-certification process to ensure the completeness of all required information. The training of staff should be re-evaluated.

Current Status

This finding is repeated in Finding 11-03

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Housing Choice Voucher Program

Finding 10-10-HQS Reports Not Properly Monitored

Condition

In two of the nine files reviewed by the auditor, the auditor noted that the HQS reports failed to meet the required housing quality standards. In addition, the auditor noted no evidence that the deficiencies cited by the reports were corrected within thirty days, and the HAP payments were not abated.

Recommendation

The auditor recommended that management maintain documentation to support the timely follow-up of remedying failed inspections.

Current Status

This finding is repeated as Audit Finding 11-03.

Housing Choice Voucher Program

Finding 10-11-Lack Of Adequate Documentation Of Rent Reasonableness

Condition

The auditor noted in one instance of nine files tested, there was no evidence of a timely rent reasonableness review.

Recommendation

Management should review its monitoring procedures to ensure the complete processing of required data.

Current Status

This finding is not repeated in the current audit.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Housing Choice Voucher Program

Finding 10-12-Lack Of Agreement Of HAP Payment To Amount Per Lease And 50058

Condition

The auditor noted that in one of nine files tested, the HAP payment per the actual disbursement did not agree to the amount per the HUD-50058 and the lease.

Recommendation

Management should ensure that the actual HAP payment agrees to the lease and the HUD-50058.

Current Status

This finding is not repeated in this audit.

Housing Choice Voucher Program

Finding 10-13-The Utility Allowance Schedule Not Timely Reviewed

Condition

The utility allowances were not timely reviewed, as required by 24 CFR Section 982.517.

Recommendation

Management should timely review its utility allowances, and revise them, if necessary.

Current Status

This finding is not repeated in this audit.

HOUSING AUTHORITY OF ST CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Low Rent Program

Finding 10-14-Lack Of Timely Submission Of HUD 50058s

Condition

In five of five files tested, the 50058s were not timely submitted.

Recommendation

Management should review its existing monitoring procedures to ensure the complete processing and filing of required data.

Current Status

This finding is repeated as Finding 11-04.

Public Housing Capital Fund Stimulus [ARRA]

Finding 10-15-Section 1512 ARRA Report Not Timely Filed

Condition

Management failed to submit the Section 1512 ARRA report for the year.

Recommendation

Management should timely file all required reports.

Current Status

This finding is not repeated in this audit.

All Programs

Finding 10-16-Procurement Process Inadequate

Condition

The Authority's procurement policy does not completely address the requirements per 2 CFR, part 180.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Recommendation

The auditor recommended that management ensure that the policy addresses the above noted provisions.

Current Status

This finding is not repeated in this audit.

Housing Choice Voucher Program

Finding 10-17-Lack Of Agreement Of HAP Payment To Amount Per Lease And 50058

Condition

The auditor noted that in one of six files tested, the HAP payment per the actual disbursement did not agree to the amount per the HUD-50058 and the lease. This is the same finding as 10-12, except this applies to a DHAP program.

Recommendation

Management should ensure that the actual HAP payment agrees to the lease and the HUD-50058.

Current Status

This finding is not repeated in this audit.

Public Housing Capital Fund Cluster

Finding 10-18-Non Compliance With Davis Bacon Act

Condition

The auditor claimed information was insufficient to enable him to verify that the prevailing wage rate was paid for two employees

Recommendation

Management should ensure that it complies with the Davis-Bacon Act, and document its testing.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Public Housing Capital Fund Cluster

Finding 10-19-Funds Not Timely Obligated

Condition

The auditor noted that in one instance of the tests, funds were not timely obligated.

Recommendation

Management should ensure that it complies with 24CFR 58.22.

Current Status

The finding is not repeated in this audit.

All Programs

Finding-10-20-Price Analysis Not Documented

Condition

The auditor noted that in four of the sixteen transactions tested, there was no evidence of checking other prices or costs.

Recommendation

Management should check and document for price and cost, to ensure the lowest, responsible price is obtained.

Current Status

This finding is not repeated in the current audit.

Low Rent Program

Finding 10-21-Improper Handling Of Tenant Collection Losses And Tenants Receivables

Condition

This is a word for word repeat of Finding 10-04 See above

Current Status

This finding is not repeated in this audit.

HOUSING AUTHORITY OF ST CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Housing Choice Voucher Program-Disaster Housing Assistance Program

Finding 10-22-Material Misclassifications

Condition

This is a word for word repeat of Finding 10-05. See previous page.

Housing Choice Voucher Program

Finding 10-23-SEMAP Samples Not Adequately Documented

Condition

SEMAP samples were not adequately documented, as required by the regulations for SEMAP

Recommendation

Management should ensure that all samples are sufficient and documented.

Current Status

This finding is repeated as Finding 11-03.

Housing Choice Voucher Program

Finding 10-24-Waiting List Unavailable For Tests

Condition

The auditor claimed that the PHA staff failed to maintain a copy of the waiting list for the audit year. Therefore, the auditor was unable to test whether admissions were in the proper order.

Recommendation

Management should keep all documentation required to enable a third party to test whether admissions were housed in the proper order.

Current Status

This finding is not repeated in the current audit.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Low Rent Housing Program

Finding 10-25-Lack Of Sufficient Evidence Of Check Of Tenant Income

Condition

In two of the five files reviewed by the auditor, the auditor noted the lack of documented evidence to support independent third party verification of tenant income. In four of the five files reviewed, the tenant income did not agree to the calculated amount per HUD-50058.

Recommendation

Management should review its certification and re-certification process to ensure the completeness of all required information.

Current Status

This finding is repeated as Finding 11-04.

Low Rent Program

Finding 10-26-Lack Of Verification Of Prior Lease Violations

Condition

On all five of the tenant files reviewed. The auditor noted no evidence to support verification of all prior lease violations.

Recommendation

Management should ensure that all files contain the required information necessary to support the complete determination of each tenant's eligibility.

Current Status

This finding is not repeated in the current audit.

HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2011

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

Low Rent Program

Finding 10-27-The Utility Allowance Schedule Not Timely Reviewed

Condition

The utility allowances were not timely reviewed, as required by 24 CFR Section 990.280[b][4].

Recommendation

Management should timely review its utility allowances, and revise them, if necessary.

Current Status

This finding is not repeated in the current audit.

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
ANNUAL CONTRIBUTION CONTRACT**

YEAR ENDED SEPTEMBER 30, 2011

| | 2007 Capital Fund | 2009 Capital Fund Recovery Grant |
|---------------------------------------|----------------------|--|
| Funds approved | \$ 179,531 | \$ 226,125 |
| Funds expended | 179,531 | 220,659 |
| Excess of funds approved | \$ 0 | \$ 5,466 |
| | | |
| Funds advanced | \$ 179,531 | \$ 220,659 |
| Funds expended | 179,531 | 220,659 |
| Excess (Deficiency) of funds advanced | \$ 0 | \$ 0 |

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statements of Modernization Costs dated July 8, 2011 and March 25, 2011, respectively accompanying the Actual Modernization Costs Certificates submitted to HUD for approval are in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.
4. \$5,466 of funds was recaptured on the 2009 A.R.R.A Grant.

See accountant's report

HOUSING AUTHORITY OF ST CHARLES PARISH, LOUISIANA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED SEPTEMBER 30, 2011

| | CASH BASIS | | |
|------------------------------|----------------------|----------------------|----------------------|
| | 2008 Capital Fund | 2009 Capital Fund | 2010 Capital Fund |
| | <u> </u> | <u> </u> | <u> </u> |
| Funds approved | \$ 178,642 | \$ 176,344 | \$ 174,895 |
| Funds expended | 177,441 | 88,173 | 0 |
| Excess of funds approved | <u>\$ 1,201</u> | <u>\$ 88,171</u> | <u>\$ 174,895</u> |
| | | | |
| Funds advanced | \$ 174,942 | \$ 83,855 | \$ 174,895 |
| Funds expended | 177,441 | 88,173 | 0 |
| Excess (Deficiency) of funds | <u>\$ (2,499)</u> | <u>\$ (4,318)</u> | <u>\$ 174,895</u> |

See accountants' report

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AMERICAN INSTITUTE OF
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ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

AGREED UPON PROCEDURES REPORT
St Charles Parish Housing Authority

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Management of St. Charles Parish Housing Authority:

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below as they are a required part of the audit engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the St. Charles Parish Housing Authority is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the St. Charles Parish Housing Authority and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the St. Charles Parish Housing Authority compliance with certain laws and regulations during the year ended September 30, 2011 included in the *Louisiana Compliance Questionnaire*.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Financial Management

1. Determine if management (chief executive and board members) was presented with timely and accurate monthly financial statements, including budget-to-actual comparisons on funds (General Fund, Special Revenue Fund, Utility Fund, etc) of the entity, during the year under examination.

Results of Testing.

It appears that during the audit for the year ended September 30, 2010, the average lag time for the completion and delivery of the unaudited statements, from the fee accountant to management, was roughly eight months. It appears that toward the end of the year ended September 30, 2011, and currently, the average lag time has been reduced to two months. The budget-to-actual comparisons are included in the unaudited financial statements. Thus, both the review of unaudited information and the budget-to-actual comparisons are now being made on a timely basis.

2. If management was deficit spending during the period under examination, determine if there is a formal/written plan to eliminate the deficit spending and whether management is monitoring the plan.

Results of Testing:

After \$224,613 of depreciation expense is added back, the authority has \$155,062 of income before capital contributions. The authority is not currently engaging in deficit spending.

3. Determine if there are written policies and procedures for the following financial/business functions of the entity:
 - Budgeting, including preparing, adopting, monitoring, and amending the budget
 - Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) checks and balances to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes
 - Disbursements, including processing, reviewing, and approving
 - Receipts, including receiving, recording, and preparing deposits

Results of Testing:

- A. Written policies and procedures exist for budgeting, adopting, monitoring, and amending the budget.
- B. Written policies and procedures exist and are adequate for purchasing.
- C. Written policies for disbursements need to be improved.
- D. Written policies for receipts need to be improved.

Recommendation

We have reviewed with management excerpts of an existing policy another Authority uses that can be tailored to meet this Authority's needs.

Corrective Action Plan-Response: Financial Management

We have reviewed the policies that the auditor proposed and tailored it to our own needs. We will consider adoption at our next regularly scheduled board meeting.

Credit Cards

1. Obtain from management a listing of all active credit cards (and bank debit cards if applicable) for the period under examination, including the card numbers and the names of the persons who maintained possession of the cards.

[Note: There are three types of credit cards: (1) general (e.g., VISA, MasterCard, etc.), (2) store (e.g., WalMart, Office Depot, Sam's Club, etc.); and (3) gasoline (e.g., Fuelman, Exxon, etc.)]

Results of Testing:

The Authority has three types of credit cards. They are general [Visa, etc], store, and gasoline.

2. Obtain and review the entity's written policies and procedures for credit cards (and debit cards if applicable) and determine if the following is addressed:
 - How cards are to be controlled
 - Allowable business uses
 - Documentation requirements
 - Required approvers
 - Monitoring card usage

Results of Testing:

The Authority adopted Credit Card Policy addresses all five of the five bullet points noted above.

3. Obtain the monthly statements for all credit cards (general, stores, and gasoline) used during the period under examination and select for detailed review, the two largest (dollar amount) statements for each card. (Note: For a debit card, select the two monthly bank statements with the largest dollar amount of debit charges):

- A. Obtain the entity's supporting documentation for the purchases/charges shown on the selected monthly statements:
- Determine if each purchase is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating)
 - Other documentation as may be required by policy (e.g., purchase order, authorization, etc.)
 - Determine if each purchase is:
 - In accordance with thresholds or guidelines established in the policies and procedures
 - For an appropriate and necessary business purpose relative to the entity
 - Determine if any purchases were made for personal purposes. If there are purchases made for personal purposes, determine the date(s) of reimbursement.
 - Determine if any purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law (i.e., large or recurring purchases requiring the solicitation of bids or quotes).
- B. Determine if there was any duplication of expenses by comparing all travel and related purchases to the appropriate person's expense reimbursement report(s).
- C. Determine if each monthly credit card statement (including supporting documentation) was reviewed and approved, in writing, by someone other than the person making the purchases. Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Larson Act municipality.)
- D. Determine if finance charges and/or late fees were assessed on the monthly statements.

Results of Testing:

All of the listed steps for A and B were performed without any noted exceptions. Regarding C, we note that the Authority sometimes uses a stamp of an authorized co-signer, who is a board member. When a stamp is used, we cannot determine whether both co-signers reviewed the support. Regarding D, we reviewed twenty-four monthly statements for late fees on credit cards. We noted only one immaterial late fee.

Recommendation

If at all possible, a stamp signature should not be used. When it is, there is no indication that a second party, since two authorized signatures are required, reviewed the underlying data. When a stamp signature has to be used to timely pay a bill, all stamped signature disbursements should be reviewed by the board of commissioners at the next board meeting

Corrective Action Plan-Response: Credit Cards

When the Maintenance Department initiates purchases, I as the Executive Director perform the second review of the underlying support. When a stamped signature is used in this instance, two persons have already reviewed the expenditure. The auditor points out, however, that our policy, which is a good policy, requires two authorized signatures. We will do as the auditor recommends. When we must use a stamp signature, we will list for the next board meeting. At that meeting, a board member will review the underlying support for the listed disbursements.

Travel and Expense Reimbursement

1. Obtain and review the entity's written policies and procedures for travel and expense reimbursement and determine if the following is addressed:
 - Allowable expenses
 - Dollar thresholds by category of expense
 - Documentation requirements
 - Required approvers

Results of Testing:

The Authority's written policies and procedures for travel and expense reimbursement adequately address all of the above bullet points.

2. Obtain a listing of all travel and related expense reimbursements during the period under examination and select for review, the one person who was reimbursed the most money:
 - A. Obtain all of the expense reimbursement reports of the selected person, including the supporting documentation, and select the three largest (dollar) expense reports to review in detail (Note. If there are only three or less expense reports, review all (100%) of them.):
 - Determine if each expenditure is:
 - Reimbursed in accordance with written policy (e.g., rates established for meals, mileage, lodging, etc.)

- In accordance with thresholds or guidelines established in the policies and procedures
 - For an appropriate and necessary business purpose relative to the travel
 - Determine if each expenditure is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
[Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) generally does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating)
 - Other documentation as may be required by policy (e.g., authorization for travel, conference brochure, certificate of attendance, etc.)
 - Determine if any of the expenditures were for personal purposes (e.g., extended hotel stays before or after training class, meals for spouses, entertainment, etc.).
 - Determine if each expense report (including documentation) was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
- B. Determine if there was any duplication of expenses by comparing the expense reports to charges/purchases made on credit card(s).

Results of Testing:

The required expenditures were reviewed. All of the steps listed above were performed. No exceptions were noted.

Contracts

1. Obtain and review the entity's written policies and procedures for contracts/contracting, including leasing, and determine if the following is addressed:
 - Types of services requiring written contracts
 - Standard terms and conditions
 - Legal review
 - Approval process
 - Monitoring process

Results of Testing:

The Authority's adopted procurement policy appears to be adequate. It sufficiently addresses the bullet points listed above.

2. Determine if the entity has centralized control and oversight of contracts to ensure that services/deliverables received and payments made comply with the terms and conditions of the contracts

Results of Testing:

The Authority has centralized control and oversight of contracts to adequately ensure that services/deliverables received and payments made comply with the terms and conditions of the contracts.

3. Obtain and review the accounting records (e.g., general ledgers, accounts payable vendor history reports, invoices, etc.) for the period under examination to identify individuals/businesses being paid for contracted services (e.g., professional, technical, etc.). Select the five "vendors" that were paid the most money during the period and for each:
 - Determine if there is a formal/written contract that supports the services arrangement and the total amount paid.
 - Determine the business legitimacy of the vendor if not known by the auditor (e.g., look-up the vendor on the LA Secretary of State's website).

Results of Testing:

The steps were performed as listed above for number three. Both of the above bullet points were adequately addressed. No exceptions were noted while performing the tests.

4. Obtain a listing of all active contracts and the expenditures made during the period under examination. Select for detailed review, the largest (dollar amount) contract in each of the following categories that was entered into during the period.
 - (1) Services
 - (2) Materials and supplies
 - (3) Public works

A. Obtain the selected contracts and the related paid invoices and:

- Determine if the contract is a related party transaction.
- Determine if the transaction is subject to the Louisiana Public Bid Law
 - If yes, determine if the entity complied with all requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder, etc.)
 - If no, determine if the entity provided an open and competitive atmosphere (a good business practice) for the transaction/work.
- Determine if the contract was awarded under the *request for proposals* (RFP) method. If done so, obtain all proposals and the evaluation/scoring documents to determine if the contract was awarded to the most responsible offer or whose proposal was the most advantageous taking into consideration price and other evaluation factors set forth in the *request for proposals*.
- Determine if the procurement was made “off” state contract (as opposed to following the competitive bidding requirements of the Louisiana Public Bid Law). If done so, determine if the board formally adopted the use of the Louisiana Procurement Code (R.S. 39:1551-1755), the set of laws that govern most state agencies’ purchases of certain services, materials and supplies, and major repairs
- Determine if the procurement related to homeland security and was made from federal General Services Administration (GSA) supply schedules. If done so, determine if the entity (1) utilized a Louisiana licensed distributor; (2) used the competitive ordering procedures of the federal GSA; and (3) received prior approval from the director of the State Office of Homeland Security and Emergency Preparedness, or his designee.
- Determine if the entity “piggybacked” onto another agency’s contract. If done so, determine if there is documentation on file that clearly demonstrates the contract was a previously bid, viable contract and the price paid by the entity was the same as that contract’s bid price.
- Determine if the contract was amended. If done so, determine whether the original contract contemplated or provided for such an amendment. Furthermore, determine if the amendment is outside the scope of the original contract, and if so, whether it should have been separately bid and contracted.
- Determine if the invoices received and payments made during the period complied with the terms and conditions of the contract.

- Determine if there is written evidence that the entity's legal advisor reviewed the contract and advised entering into the contract.
- Determine if there is documentation of board approval, if required.

Results of Testing:

The steps were performed as listed above for number four. No exceptions were noted while performing the tests.

Payroll and Personnel

- 1 Obtain and review the entity's written policies and procedures for payroll and personnel and determine if they address the processing of payroll, including reviewing and approving of time and attendance records, including leave and overtime worked.

Results of Testing:

It appears the entity's written policies and procedures are adequate and address the requirements listed above.

2. Obtain a listing of employment contracts/agreements in force during the period under examination. Select the largest (dollar amount) employment contract and determine if all payments issued during the period under examination were done in strict accordance with the terms and conditions of the contract.

Results of Testing:

We reviewed the required employment contracts in force. Payments were done in accordance with the contracts.

3. Select the attendance and leave records for one pay period and:
 - Determine if all employees are documenting their daily attendance and leave (e.g., vacation, sick, etc.). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave)

- Determine if supervisors are approving, in writing, the attendance, and leave of all employees.
- Determine if the entity is maintaining accurate written leave records (e.g., hours earned, hours used, and balance available) on all eligible employees.

Results of Testing:

We reviewed the required attendance and leave records. All of the tests listed in the bullet points above were performed. No exceptions were noted.

4. Select the five highest paid employees and determine if changes made to their hourly pay rates/salaries during the period under examination were approved in writing and in accordance with policy.

Results of Testing:

The five highest paid employees were selected, as required. Tests as listed above were performed. No exceptions were noted.

5. Select the five largest termination payments (e.g., vacation, sick, compensatory time, etc.) made during the period under examination. Determine if the payments were supported by documentation, made in strict accordance with policy and/or contract, and properly approved.

Results of Testing:

No termination payments were noted during the audit year.

6. Determine if any employees were also being paid as contract labor during the period of the examination.

Results of Testing:

None of the employees were paid contract labor.

Ms. Leala Jackson, E D
St Charles Parish Housing Authority
May 10, 2012

Page 11 of 11

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of St. Charles Parish Housing Authority and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mike Estes, P.C.

Mike Estes, P C.
Fort Worth, Texas
May 14, 2012

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2011

Entity Wide Balance Sheet Summary

| | Project Total | 97 109 Disaster Housing Assistance Grant | 14.885 Formula Capital Fund Stimulus Grant | 14 971 Housing Choice Vouchers | 14 KE OHPARKE | Subtotal | ELIM | Total |
|---|---------------|--|--|--------------------------------|---------------|--------------|------------|--------------|
| 111 Cash - Unrestricted | \$213,897 | | | \$677,916 | | \$891,813 | | \$891,813 |
| 112 Cash - Restricted - Modernization and Development | | | | | | | | |
| 113 Cash - Other Restricted | | | | | | | | |
| 114 Cash - Tenant Security Deposits | \$9,400 | \$171,884 | | \$501,307 | | \$673,171 | | \$673,171 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | | | \$9,400 | | \$9,400 |
| 100 Total Cash | \$223,297 | \$171,884 | \$0 | \$1,179,223 | \$0 | \$1,574,384 | \$0 | \$1,574,384 |
| 121 Accounts Receivable - PHA Projects | | | | | | | | |
| 122 Accounts Receivable - HUD Other Projects | \$6,818 | | | | \$73,413 | \$80,231 | | \$80,231 |
| 123 Accounts Receivable - Other Government | | | | | | | | |
| 125 Accounts Receivable - Miscellaneous | | \$0 | | \$140 | | \$140 | | \$140 |
| 126 Accounts Receivable - Tenants | \$1,820 | | | | | \$1,820 | | \$1,820 |
| 128 1 Allowance for Doubtful Accounts - Tenants | -\$1,945 | | | | \$0 | -\$1,945 | | -\$1,945 |
| 128 2 Allowance for Doubtful Accounts - Other | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 |
| 177 Notes, Loans, & Mortgages Receivable - Current | | | | | | | | |
| 128 Fraud Recovery | | | | | | | | |
| 128 1 Allowance for Doubtful Accounts - Fraud | | | | | | | | |
| 128 Accrued Interest Receivable | | | | | | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$6,693 | \$0 | \$0 | \$140 | \$73,413 | \$80,246 | \$0 | \$80,246 |
| 131 Investments - Unrestricted | \$74,000 | | | | | \$74,000 | | \$74,000 |
| 132 Investments - Restricted | | | | | | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | | | | | | |
| 142 Prepaid Expenses and Other Assets | \$41,023 | | | \$1,323 | | \$42,346 | | \$42,346 |
| 143 Inventories | \$7,767 | | | | | \$7,767 | | \$7,767 |
| 143 1 Allowance for Obsolete Inventories | -\$388 | | | | | -\$388 | | -\$388 |
| 144 Inter Program Due From | | \$200,277 | | | | \$200,277 | -\$200,277 | \$0 |
| 145 Assets Held for Sale | | | | | | | | |
| 150 Total Current Assets | \$352,662 | \$372,141 | \$0 | \$1,180,686 | \$73,413 | \$1,978,932 | -\$200,277 | \$1,778,655 |
| 161 Land | \$13,028 | | | | | \$13,028 | | \$13,028 |
| 162 Buildings | \$6,854,105 | | | | | \$6,854,105 | | \$6,854,105 |
| 163 Furniture Equipment & Machinery - Dwellings | \$164,778 | | | \$2,080 | | \$166,858 | | \$166,858 |
| 164 Furniture Equipment & Machinery - Administration | \$85,751 | | | \$33,768 | | \$119,519 | | \$119,519 |
| 165 Leasedhold Improvements | \$704,674 | | | \$1,241 | | \$705,915 | | \$705,915 |
| 166 Accumulated Depreciation | -\$5,671,482 | | | -\$33,068 | | -\$5,704,548 | | -\$5,704,548 |
| 167 Construction in Progress | \$237,814 | | | | | \$237,814 | | \$237,814 |
| 168 Infrastructure | | | | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$2,198,668 | \$0 | \$0 | \$4,043 | \$0 | \$2,202,711 | \$0 | \$2,202,711 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | | | | | | | |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | | | | | | | |

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2011

Entity Wide Balance Sheet Summary

| | Project Total | 07 100 Disaster Housing Assistance Grant | 14.030 Formula Capital Fund Stimulus Grant | 14.071 Housing Choice Voucher | 14.030 DHAP/ACE | Subtotal | ELIM | Total |
|---|---------------|--|--|-------------------------------|-----------------|-------------|------------|-------------|
| 175 Grants Receivable - Non Current | | | | | | | | |
| 174 Other Assets | | | | | | | | |
| 176 Investments in Joint Ventures | | | | | | | | |
| 180 Total Non-Current Assets | \$2,198,888 | \$0 | \$0 | \$4,043 | \$0 | \$2,202,711 | \$0 | \$2,202,711 |
| 180 Total Assets | \$2,551,360 | \$372,141 | \$0 | \$1,184,728 | \$73,413 | \$4,101,643 | -\$200,277 | \$3,901,366 |
| 311 Bank Overdraft | | | | | | | | |
| 312 Accounts Payable <= 90 Days | \$4,755 | | | \$2,813 | | \$7,568 | | \$7,568 |
| 313 Accounts Payable >90 Days Past Due | | | | | | | | |
| 321 Accrued Wages/Payroll Taxes Payable | \$23,528 | | | \$5,571 | | \$29,099 | | \$29,099 |
| 322 Accrued Compensated Absences - Current Portion | \$4,536 | | | \$2,090 | | \$6,626 | | \$6,626 |
| 324 Accrued Contingency Liability | | | | | | | | |
| 325 Accrued Interest Payable | | | | | | | | |
| 331 Accounts Payable - HUD/PHA Programs | | | | | \$8,042 | \$8,042 | | \$8,042 |
| 333 Account Payable - PHA Projects | | | | | \$190,651 | \$190,651 | | \$190,651 |
| 333 Accounts Payable - Other Government | \$9,490 | | | | | \$9,490 | | \$9,490 |
| 341 Tenant Security Deposits | \$1,565 | | | | | \$1,565 | | \$1,565 |
| 342 Deferred Revenues | | | | | \$122,289 | \$447,468 | | \$447,468 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds | | | | | | | | |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | | | | | | |
| 345 Other Current Liabilities | | | | | | | | |
| 348 Accrued Liabilities - Other | \$17,348 | | | | | \$17,348 | | \$17,348 |
| 347 Inter Program - Due To | | | | | \$200,277 | -\$200,277 | | \$0 |
| 348 Loan Liability - Current | | | | | | | | |
| 310 Total Current Liabilities | \$81,130 | \$0 | \$0 | \$630,739 | \$328,608 | \$820,477 | -\$200,277 | \$720,200 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | | | | | | | |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | | | | | | |
| 353 Non-current Liabilities - Other | | | | | | | | |
| 354 Accrued Compensated Absences - Non Current | \$32,432 | | | \$27,330 | | \$59,812 | | \$59,812 |
| 355 Loan Liability - Non Current | | | | | | | | |
| 358 FASB 5 Liabilities | | | | | | | | |
| 357 Accrued Pension and OPEB Liabilities | | | | | | | | |
| 350 Total Non-Current Liabilities | \$32,482 | \$0 | \$0 | \$27,330 | \$0 | \$59,812 | \$0 | \$59,812 |
| 300 Total Liabilities | \$81,130 | \$0 | \$0 | \$658,069 | \$328,608 | \$880,289 | -\$200,277 | \$780,012 |
| 500 1 Invested in Capital Assets, Net of Related Debt | | | | | | | | |
| 500 2 Fund Balance Reserved | | | | | | | | |
| 511 2 Unreserved Designated Fund Balance | | | | | | | | |
| 511 1 Restricted Net Assets | \$0 | | | \$601,307 | | \$601,307 | | \$601,307 |
| 512.1 Unrestricted Net Assets | \$258,080 | \$372,141 | \$0 | \$121,310 | -\$255,195 | \$407,336 | | \$407,336 |
| 512.2 Unreserved, Undesignated Fund Balance | | | | | | | | |
| 513 Total Equity/Net Assets | \$2,467,748 | \$372,141 | \$0 | \$828,680 | -\$255,195 | \$3,201,354 | \$0 | \$3,201,354 |
| 600 Total Liabilities and Equity/Net Assets | \$2,551,360 | \$372,141 | \$0 | \$1,184,728 | \$73,413 | \$4,101,643 | -\$200,277 | \$3,901,366 |

**HOUSING AUTHORITY OF ST CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2011

Single Project Revenue and Expense

| | Low Rent | Capital Fund | Total Project |
|---|-----------|--------------|---------------|
| 70300 Net Tenant Rental Revenue | \$187,452 | | \$187,452 |
| 70400 Tenant Revenue - Other | \$10,136 | | \$10,136 |
| 70500 Total Tenant Revenue | \$177,588 | \$0 | \$177,588 |
| 70600 HUD PHA Operating Grants | \$531,564 | | \$531,564 |
| 70610 Capital Grants | | \$65,752 | \$65,752 |
| 70710 Management Fee | | | |
| 70720 Asset Management Fee | | | |
| 70730 Book Keeping Fee | | | |
| 70740 Front Line Service Fee | | | |
| 70750 Other Fees | | | |
| 70700 Total Fee Revenue | | | |
| 70800 Other Government Grants | | | |
| 71100 Investment Income - Unrestricted | \$1,889 | | \$1,889 |
| 71200 Mortgage Interest Income | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | |
| 71310 Cost of Sale of Assets | | | |
| 71400 Fraud Recovery | | | |
| 71500 Other Revenue | \$1,964 | | \$1,964 |
| 71600 Gain or Loss on Sale of Capital Assets | | | |
| 72000 Investment Income - Restricted | | | |
| 70000 Total Revenue | \$712,885 | \$65,752 | \$778,737 |
| 81100 Administrative Salaries | \$58,587 | | \$58,587 |
| 81200 Auditing Fees | \$8,450 | | \$8,450 |
| 81300 Management Fee | | | |
| 81310 Book-keeping Fee | | | |
| 81400 Advertising and Marketing | \$3,738 | | \$3,738 |
| 81500 Employee Benefit contributions - Administrative | \$10,328 | | \$10,328 |
| 81600 Office Expenses | \$18,357 | | \$18,357 |
| 81700 Legal Expense | \$3,152 | | \$3,152 |
| 81800 Travel | \$4,573 | | \$4,573 |
| 81810 Allocated Overhead | | | |
| 81900 Other | \$38,259 | | \$38,259 |
| 81000 Total Operating - Administrative | \$144,422 | \$0 | \$144,422 |
| 82000 Asset Management Fee | | | |
| 82100 Tenant Services - Salaries | | | |
| 82200 Relocation Costs | | | |
| 82300 Employee Benefit Contributions - Tenant Services | | | |
| 82400 Tenant Services - Other | \$290 | | \$290 |
| 82500 Total Tenant Services | \$290 | \$0 | \$290 |
| 83100 Water | \$88,198 | | \$88,198 |
| 83200 Electricity | \$12,055 | | \$12,055 |
| 83300 Gas | \$47,393 | | \$47,393 |

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2011

Single Project Revenue and Expense

| | Low Rent | Capital Fund | Total Project |
|---|-----------|--------------|---------------|
| 70300 Net Tenant Rental Revenue | \$187,452 | | \$187,452 |
| 93400 Fuel | | | |
| 93500 Labor | | | |
| 93600 Sewer | \$71,672 | | \$71,672 |
| 93700 Employee Benefit Contributions - Utilities | | | |
| 93800 Other Utilities Expense | | | |
| 93900 Total Utilities | \$197,316 | \$0 | \$197,316 |
| 94100 Ordinary Maintenance and Operations - Labor | \$83,541 | | \$83,541 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$57,074 | | \$57,074 |
| 94300 Ordinary Maintenance and Operations Contracts | \$73,538 | | \$73,538 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$14,070 | | \$14,070 |
| 94900 Total Maintenance | \$228,223 | \$0 | \$228,223 |
| 95100 Protective Services - Labor | | | |
| 95200 Protective Services - Other Contract Costs | | | |
| 95300 Protective Services - Other | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | |
| 95900 Total Protective Services | \$0 | \$0 | \$0 |
| 96110 Property Insurance | \$47,509 | | \$47,509 |
| 96120 Liability Insurance | \$8,415 | | \$8,415 |
| 96130 Workmen's Compensation | \$3,983 | | \$3,983 |
| 96140 All Other Insurance | \$16,362 | | \$16,362 |
| 96100 Total Insurance Premiums | \$76,279 | \$0 | \$76,279 |
| 96200 Other General Expenses | | | |
| 96210 Compensated Absences | \$20,520 | | \$20,520 |
| 96300 Payments in Lieu of Taxes | | | |
| 96400 Bad debt - Tenant Rents | \$1,828 | | \$1,828 |
| 96500 Bad debt - Mortgages | | | |
| 96600 Bad debt - Other | | | |
| 96800 Severance Expense | | | |
| 96900 Total Other General Expenses | \$22,348 | \$0 | \$22,348 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | |
| 96730 Amortization of Bond Issue Costs | | | |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$668,878 | \$0 | \$668,878 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$44,107 | \$65,752 | \$109,859 |
| 97100 Extraordinary Maintenance | \$10,450 | | \$10,450 |
| 97200 Casualty Losses - Non-capitalized | | | |
| 97300 Housing Assistance Payments | | | |

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2011

Single Project Revenue and Expense

| | Low Rent | Capital Fund | Total Project |
|---|-------------|--------------|---------------|
| 97350 HAP Portability-In | | | |
| 97400 Depreciation Expense | \$209,685 | \$12,956 | \$222,640 |
| 97500 Fraud Losses | | | |
| 97600 Capital Outlays - Governmental Funds | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | |
| 97800 Dwelling Units Rent Expense | | | |
| 90000 Total Expenses | \$689,013 | \$12,956 | \$901,968 |
| 10010 Operating Transfer In | | | |
| 10020 Operating transfer Out | | | |
| 10030 Operating Transfers from/to Primary Government | | | |
| 10040 Operating Transfers from/to Component Unit | | | |
| 10060 Proceeds from Notes, Loans and Bonds | | | |
| 10060 Proceeds from Property Sales | | | |
| 10070 Extraordinary Items, Net Gain/Loss | | | |
| 10060 Special Items (Net Gain/Loss) | | | |
| 10091 Inter Project Excess Cash Transfer In | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | |
| 10093 Transfers between Program and Project - In | | | |
| 10094 Transfers between Project and Program - Out | | | |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | -\$178,028 | \$62,797 | -\$123,231 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$2,692,771 | \$0 | \$2,692,771 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | -\$11,792 | \$0 | -\$11,792 |
| 11050 Changes in Compensated Absence Balance | | | |
| 11060 Changes in Contingent Liability Balance | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | |
| 11170 Administrative Fee Equity | | | |
| 11180 Housing Assistance Payments Equity | | | |
| 11190 Unit Months Available | 1488 | | 1488 |
| 11210 Number of Unit Months Leased | 1191 | | 1191 |
| 11270 Excess Cash | \$187,421 | | \$187,421 |
| 11610 Land Purchases | \$0 | \$0 | \$0 |
| 11620 Building Purchases | \$0 | \$68,452 | \$68,452 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$0 | \$0 | \$0 |
| 11640 Furniture & Equipment - Administrative Purchases | \$0 | \$0 | \$0 |
| 11650 Leasehold Improvements Purchases | \$0 | \$0 | \$0 |
| 11660 Infrastructure Purchases | \$0 | \$0 | \$0 |
| 13510 CFFP Debt Service Payments | \$0 | \$0 | \$0 |
| 13801 Replacement Housing Factor Funds | \$0 | \$0 | \$0 |

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2011

Entity Wide Revenue and Expense Summary

| | Project Total | 07 109 Disaster Housing Assistance Grant | 14 885 Formula Capital Fund Stimulus Grant | 14 871 Housing Choice Vouchers | 14 IKE DHAP-IKE | Total |
|---|---------------|--|--|--------------------------------|-----------------|-------------|
| 70300 Net Tenant Rental Revenue | \$167,452 | | | | | \$167,452 |
| 70400 Tenant Revenue - Other | \$10,138 | | | | | \$10,138 |
| 70500 Total Tenant Revenue | \$177,589 | \$0 | \$0 | \$0 | \$0 | \$177,589 |
| 70600 HUD PHA Operating Grants | \$531,564 | | | \$2,082,272 | | \$2,613,836 |
| 70610 Capital Grants | \$65,752 | | | | | \$65,752 |
| 70710 Management Fee | | | | | | |
| 70720 Asset Management Fee | | | | | | |
| 70730 Book Keeping Fee | | | | | | |
| 70740 Front Line Service Fee | | | | | | |
| 70760 Other Fees | | | | | | |
| 70700 Total Fee Revenue | | | | | | |
| 70800 Other Government Grants | | | | | \$267,549 | \$267,549 |
| 71100 Investment Income - Unrestricted | \$1,969 | | | \$274 | | \$2,143 |
| 71200 Mortgage Interest Income | | | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | | | |
| 71310 Cost of Sale of Assets | | | | | | |
| 71400 Fraud Recovery | | | | \$1,698 | | \$1,698 |
| 71500 Other Revenue | \$1,964 | | | \$63,888 | | \$65,852 |
| 71600 Gain or Loss on Sale of Capital Assets | | | | | | |
| 72000 Investment Income - Restricted | | | | \$861 | | \$861 |
| 70000 Total Revenue | \$778,737 | \$0 | \$0 | \$2,188,963 | \$267,549 | \$3,215,249 |
| 91100 Administrative Salaries | \$56,567 | | | \$68,958 | | \$125,525 |
| 91200 Auditing Fees | \$9,450 | | | \$8,450 | | \$18,900 |
| 91300 Management Fee | | | | | | |
| 91310 Book-keeping Fee | | | | | | |
| 91400 Advertising and Marketing | \$3,738 | | | \$1,924 | | \$5,660 |
| 91500 Employee Benefit Contributions - Administrative | \$10,325 | | | \$21,747 | | \$32,075 |
| 91600 Office Expenses | \$18,357 | | | \$15,862 | | \$34,019 |
| 91700 Legal Expense | \$3,152 | | | \$632 | | \$3,884 |
| 91800 Travel | \$4,573 | | | \$2,280 | \$912 | \$7,775 |
| 91810 Allocated Overhead | | | | | | |
| 91900 Other | \$38,259 | | | \$30,002 | \$19,109 | \$87,370 |
| 91000 Total Operating - Administrative | \$144,422 | \$0 | \$0 | \$150,865 | \$20,021 | \$315,308 |
| 92000 Asset Management Fee | | | | | | |
| 92100 Tenant Services - Salaries | | | | | | |
| 92200 Relocation Costs | | | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | | | | |
| 92400 Tenant Services - Other | \$290 | | | | \$36,900 | \$37,190 |
| 92500 Total Tenant Services | \$290 | \$0 | \$0 | \$0 | \$36,900 | \$37,190 |
| 93100 Water | \$68,198 | | | | | \$68,198 |
| 93200 Electricity | \$12,055 | | | | | \$12,055 |
| 93300 Gas | \$47,393 | | | | | \$47,393 |

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2011

Entity Wide Revenue and Expense Summary

| | Project Total | 97 109 Disaster Housing Assistance Grant | 14,585 Formula Capital Fund Stimulus Grant | 14 871 Housing Choice Vouchers | 14 IKE DHAP-IKE | Total |
|---|---------------|--|--|--------------------------------|-----------------|-------------|
| 93400 Fuel | | | | | | |
| 93500 Labor | | | | | | |
| 93600 Sewer | \$71,672 | | | | | \$71,672 |
| 93700 Employee Benefit Contributions - Utilities | | | | | | |
| 93800 Other Utilities Expense | | | | | | |
| 93000 Total Utilities | \$197,316 | \$0 | \$0 | \$0 | \$0 | \$197,316 |
| 94100 Ordinary Maintenance and Operations - Labor | \$83,541 | | | | | \$83,541 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$57,074 | | | | | \$57,074 |
| 94300 Ordinary Maintenance and Operations Contracts | \$73,538 | | | | | \$73,538 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$14,070 | | | | | \$14,070 |
| 94000 Total Maintenance | \$228,223 | \$0 | \$0 | \$0 | \$0 | \$228,223 |
| 95100 Protective Services - Labor | | | | | | |
| 95200 Protective Services - Other Contract Costs | | | | | | |
| 95300 Protective Services - Other | | | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | | | |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | \$47,509 | | | | | \$47,509 |
| 96120 Liability Insurance | \$8,415 | | | | | \$8,415 |
| 96130 Workmen's Compensation | \$3,993 | | | \$5,083 | | \$9,076 |
| 96140 All Other Insurance | \$18,382 | | | \$2,825 | | \$19,187 |
| 96100 Total Insurance Premiums | \$78,279 | \$0 | \$0 | \$7,908 | \$0 | \$84,187 |
| 96200 Other General Expenses | | | | \$17,997 | | \$17,997 |
| 96210 Compensated Absences | \$20,520 | | | \$11,373 | | \$31,893 |
| 96300 Payments in Lieu of Taxes | | | | | | |
| 96400 Bad debt - Tenant Rents | \$1,828 | | | | | \$1,828 |
| 96500 Bad debt - Mortgagee | | | | | | |
| 96600 Bad debt - Other | | | | | | |
| 96800 Severance Expense | | | | | | |
| 96000 Total Other General Expenses | \$22,348 | \$0 | \$0 | \$29,370 | \$0 | \$51,718 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | | | | |
| 96730 Amortization of Bond Issue Costs | | | | | | |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$668,878 | \$0 | \$0 | \$188,143 | \$58,921 | \$913,942 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$109,659 | \$0 | \$0 | \$1,960,820 | \$210,828 | \$2,301,307 |
| 97100 Extraordinary Maintenance | \$10,450 | | | | | \$10,450 |
| 97200 Casualty Losses - Non-capitalized | | | | | | |
| 97300 Housing Assistance Payments | | | | \$1,751,230 | \$241,210 | \$1,992,440 |

**HOUSING AUTHORITY OF ST. CHARLES PARISH, LOUISIANA
FINANCIAL DATA SCHEDULE**

YEAR ENDED SEPTEMBER 30, 2011

Entity Wide Revenue and Expense Summary

| | Project Total | 97 109 Disaster Housing Assistance Grant | 14 885 Formula Capital Fund Stimulus Grant | 14 871 Housing Choice Vouchers | 14.1KE DHAP-IKE | Total |
|---|---------------|--|--|--------------------------------|-----------------|-------------|
| 87350 HAP Portability-In | | | | \$77,803 | | \$77,803 |
| 87400 Depreciation Expense | \$222,640 | | | \$1,873 | | \$224,513 |
| 87500 Fraud Losses | | | | | | |
| 87600 Capital Outlays - Governmental Funds | | | | | | |
| 87700 Debt Principal Payment - Governmental Funds | | | | | | |
| 87800 Dwelling Units Rent Expenses | | | | | | |
| 90000 Total Expenses | \$901,988 | \$0 | \$0 | \$2,018,949 | \$298,131 | \$3,218,048 |
| 10010 Operating Transfer In | | | | | | |
| 10020 Operating transfer Out | | | | | | |
| 10030 Operating Transfers from/to Primary Government | | | | | | |
| 10040 Operating Transfers from/to Component Unit | | | | | | |
| 10050 Proceeds from Notes, Loans and Bonds | | | | | | |
| 10060 Proceeds from Property Sales | | | | | | |
| 10070 Extraordinary Items, Net Gain/Loss | | | | | | |
| 10080 Special Items (Net Gain/Loss) | | | | | | |
| 10091 Inter Project Excess Cash Transfer In | | | | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | | | | |
| 10093 Transfers between Program and Project - In | | | | | | |
| 10094 Transfers between Project and Program - Out | | | | | | |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | -\$123,231 | \$0 | \$0 | \$150,014 | -\$30,582 | -\$3,799 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$2,692,771 | \$554,931 | \$0 | \$423,585 | \$0 | \$3,571,287 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | -\$11,792 | -\$182,780 | \$0 | \$53,081 | -\$224,813 | -\$368,114 |
| 11050 Changes in Compensated Absence Balance | | | | | | |
| 11060 Changes in Contingent Liability Balance | | | | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | | | | |
| 11170 Administrative Fee Equity | | | | \$125,353 | | \$125,353 |
| 11180 Housing Assistance Payments Equity | | | | \$501,307 | | \$501,307 |
| 11190 Unit Months Available | 1488 | 427 | | 3401 | | 6318 |
| 11210 Number of Unit Months Leased | 1191 | 427 | | 2982 | | 4600 |
| 11270 Excess Cash | \$187,421 | | | | | \$187,421 |
| 11810 Land Purchases | \$0 | | | | | \$0 |
| 11620 Building Purchases | \$66,452 | | | | | \$66,452 |
| 11830 Furniture & Equipment - Dwelling Purchases | \$0 | | | | | \$0 |
| 11840 Furniture & Equipment - Administrative Purchases | \$0 | | | | | \$0 |
| 11650 Leasehold Improvements Purchases | \$0 | | | | | \$0 |
| 11660 Infrastructure Purchases | \$0 | | | | | \$0 |
| 13510 CFFP Debt Service Payments | \$0 | | | | | \$0 |
| 13901 Replacement Housing Factor Funds | \$0 | | | | | \$0 |