

ST. JAMES PARISH HOUSING AUTHORITY

Financial Statements & Independent Auditors' Report

For the Year Ended September 30, 2023



smithmarion

ST. JAMES PARISH HOUSING AUTHORITY

**Independent Auditors' Report on Applying Agreed-Upon Procedures
For the Year Ended September 30, 2023**



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St. James Parish Housing Authority

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

To the Governing Board of St. James Parish Housing Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the Control and Compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 01, 2022 through September 30, 2023. St. James Parish Housing Authority's management is responsible for those C/C areas identified in the SAUPs. St. James Parish Housing Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 01, 2022 through September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Written Policies and Procedures – Obtain and inspect the Authority's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the Authority's operations).
 - a. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - b. 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) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c. Disbursements, including processing, reviewing, and approving.
 - d. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

St. James Parish Housing Authority

Agreed Upon Procedures
For the Year Ended September 30, 2023

- i. Ethics, including (1) the prohibitions as defined in *Louisiana Revised Statute (R.S.) 42:1111-1121*, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Authority's ethics policy.
- j. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l. Sexual Harassment, including *R.S. 42:342-344* requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Result: No exceptions were found as a result of applying the procedure.

2. Board or Finance Committee – Obtain and inspect the Board/Finance Committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a. Observe that the Board/Finance Committee meets with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Authority's collections during the fiscal period.
- c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Result: No exceptions were found as a result of applying the procedure.

3. Obtain a listing of Authority's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Authority's main operating account. Select the Authority's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).
- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).
- c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Result: No exceptions were found as a result of applying the procedure.

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Result: No exceptions were found as a result of applying the procedure.

5. Obtain a listing of deposit sites and for each deposit site selected, obtain a listing of collection locations 12 and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a. Employees responsible for cash collections do not share cash drawers/registers.
- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Result: No exceptions were found as a result of applying the procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Result: No exceptions were found as a result of applying the procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.
- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c. Trace the deposit slip total to the actual deposit per the bank statement.
- d. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e. Trace the actual deposit per the bank statement to the general ledger.

Result: No exceptions were found as a result of applying the procedure.

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Result: No exceptions were found as a result of applying the procedure.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b. At least two employees are involved in processing and approving payments to vendors.
- c. The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Result: No exceptions were found as a result of applying the procedure.

10. For each location selected under #8 above, obtain the Authority's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Authority.
- b. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Result: No exceptions were found as a result of applying the procedure.

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Result: No exceptions were found as a result of applying the procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- b. Observe that finance charges and late fees were not assessed on the selected statements.

Result: No exceptions were found as a result of applying the procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Result: No exceptions were found as a result of applying the procedure.

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Result: No exceptions were found as a result of applying the procedure.

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:

- a. Observe whether the contract was bid in accordance with the *Louisiana Public Bid Law* (e.g., solicited quotes or bids, advertised), if required by law.
- b. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., *Lawrason Act, Home Rule Charter*).
- c. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Result: No exceptions were found as a result of applying the procedure.

16. Obtain a listing of employees and officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Result: No exceptions were found as a result of applying the procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sickness, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c. Observe any leave accrued or taken during the pay period is reflected in the Authority's cumulative leave records.
- d. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Result: No exceptions were found as a result of applying the procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours, and pay rates used in management's termination payment calculations and the Authority's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to Authority policy.

Result: No exceptions were found as a result of applying the procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Result: No exceptions were found as a result of applying the procedure.

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. Observe whether the Authority maintains documentation which demonstrates each employee and official were notified of any changes to the Authority's ethics policy during the fiscal period, as applicable.

Result: No exceptions were found as a result of applying the procedure.

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe *State Bond Commission* approval was obtained for each debt instrument issued.

Result: No exceptions were found as a result of applying the procedure.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Result: No exceptions were found as a result of applying the procedure.

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Authority reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Authority is domiciled.

Result: No exceptions were found as a result of applying the procedure.

24. Observe the Authority has posted on its premises and website, the notice required by *R.S. 24:523.1* concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Result: No exceptions were found as a result of applying the procedure.

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a. Obtain and inspect the Authority's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b. Obtain and inspect the Authority's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the Authority's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Result: No exceptions were found as a result of applying the procedure.

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Result: No exceptions were found as a result of applying the procedure.

27. Observe the Authority has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Authority's premises if the Authority does not have a website).

Result: No exceptions were found as a result of applying the procedure.

28. Obtain the Authority's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of *R.S. 42:344*:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Result: No exceptions were found as a result of applying the procedure.

St. James Parish Housing Authority

Agreed Upon Procedures
For the Year Ended September 30, 2023

We were engaged by St. James Parish Housing Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of St. James Parish Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under *Louisiana Revised Statute 24:513*, this report is distributed by the LLA as a public document.

February 15, 2024

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

Independent Auditors' Report

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of St. James Parish Housing Authority (the Authority), as of and for the year ended September 30, 2023, and the related notes to financial statements, which collectively comprise St. James Parish Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of St. James Parish Housing Authority, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Convent Trace Development, L.P., and Central Crossing Development, L.P., which represent 100% percent, 100% percent, and 100% percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. James Parish Housing Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

St. James Parish Housing Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. James Parish Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the St. James Parish Housing Authority's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. James Parish Housing Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. James Parish Housing Authority's basic financial statements. The schedules listed on the table of contents in supplementary information and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2024, on our consideration of St. James Parish Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. James Parish Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. James Parish Housing Authority's internal control over financial reporting and compliance.

February 15, 2024

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2023

Management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position for the fiscal year ended September 30, 2023. Please read it in conjunction with the Authority's financial statements.

Overview of the financial statements

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

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

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

Net position is reported in three broad categories:

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

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

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

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

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2023

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

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

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

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

Program information

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

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

St. James Housing Authority
Management's Discussion and Analysis
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Financial position and analysis

Table 1 compares the Authority's financial position for the fiscal years ended September 30, 2023 and 2022:

	2023	2022	Increase (Decrease)	Percent Variance
Assets				
Current assets	\$ 2,983,503	\$ 3,003,363	\$ (19,860)	-0.66%
Restricted assets	61,098	43,548	17,550	40.30%
Capital assets, net	3,317,394	3,007,965	309,429	10.29%
Other noncurrent assets	2,066,657	2,019,220	47,437	2.35%
Total assets	<u>\$ 8,428,652</u>	<u>\$ 8,074,096</u>	<u>\$ 354,556</u>	<u>4.39%</u>
Liabilities				
Current liabilities	\$ 110,360	\$ 114,881	\$ (4,521)	-3.94%
Long-term debt	28,851	27,401	1,450	5.29%
Other noncurrent liabilities	597,221	576,185	21,036	3.65%
Total liabilities	736,432	718,467	17,965	2.50%
Net position				
Net investment in capital assets	3,304,026	3,007,965	296,061	9.84%
Restricted net position	4,073	-	4,073	0.00%
Unrestricted net position	4,384,121	4,347,664	36,457	0.84%
Total net position	<u>7,692,220</u>	<u>7,355,629</u>	<u>336,591</u>	<u>4.58%</u>
Total liabilities and net position	<u>\$ 8,428,652</u>	<u>\$ 8,074,096</u>	<u>\$ 354,556</u>	<u>4.39%</u>

Restricted assets increased by \$17,550 or 40.30% primarily due an increase in FSS Escrow Liability.

Capital assets, net increased by \$309,429 or 10.29% primarily due to fixed asset additions.

St. James Housing Authority
Management's Discussion and Analysis
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Table 2 focuses on the changes in Net Position:

	2023	2022	Increase (Decrease)	Percent Variance
Operating revenue & expense				
Operating revenue	\$ 2,732,606	\$ 3,589,710	\$ (857,104)	-23.88%
Operating expenses	2,459,307	2,395,816	63,491	2.65%
Operating income	<u>273,299</u>	<u>1,193,894</u>	<u>(920,595)</u>	<u>-77.11%</u>
Non-operating revenues & expenses	48,231	48,143	88	0.18%
Capital grants	<u>15,061</u>	<u>483,371</u>	<u>(468,310)</u>	<u>-96.88%</u>
Increase (decrease) in net position	336,591	1,725,408	(1,388,817)	-80.49%
Net position, beginning of year	7,355,629	5,630,221	1,725,408	30.65%
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Net position, end of year	<u>\$ 7,692,220</u>	<u>\$ 7,355,629</u>	<u>\$ 336,591</u>	<u>4.58%</u>

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

	2023	2022	Increase (Decrease)	Percent Variance
Operating revenue				
Tenant revenue	\$ 542,917	\$ 501,835	\$ 41,082	8.19%
HUD grants	2,043,444	2,367,307	(323,863)	-13.68%
Other revenue	146,245	720,568	(574,323)	-79.70%
Total operating revenue	<u>2,732,606</u>	<u>3,589,710</u>	<u>(857,104)</u>	<u>-23.88%</u>
Non-operating revenues				
Public housing capital fund	15,061	483,371	(468,310)	-96.88%
Interest income	48,231	48,143	88	0.18%
Loss on disposal of fixed assets		-	-	-100.00%
Total non-operating revenues	<u>63,292</u>	<u>531,514</u>	<u>(468,222)</u>	<u>-88.09%</u>
Total revenues	<u>\$ 2,795,898</u>	<u>\$ 4,121,224</u>	<u>\$ (1,325,326)</u>	<u>-32.16%</u>

HUD Grants decreased by \$323,863 or 13.68% primarily due to a decrease in FEMA Funding received in FY23 compared to PY due to Hurricane Ida occurring in 2021.

Other Revenue decreased by \$574,323 or 79.70% due to a decrease in blended component unit revenue.

Public Housing Capital Fund decreased by \$468,310 or 96.88% due to a decrease in capital fund spending.

St. James Housing Authority
Management's Discussion and Analysis
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Table 4 presents a summary of the Authority's operating expenses:

	2023	2022	Increase (Decrease)	Percent Variance
Administrative	\$ 680,952	\$ 583,307	\$ 97,645	16.74%
Tenant services	214,241	231,370	(17,129)	-7.40%
Utilities	150,044	153,514	(3,470)	-2.26%
Maintenance	788,601	668,903	119,698	17.89%
General expense	172,595	353,036	(180,441)	-51.11%
Depreciation	452,874	405,686	47,188	11.63%
 Total expenses	 \$ 2,459,307	 \$ 2,395,816	 \$ 63,491	 2.65%

Administrative expenses increased by \$97,645 or 16.74% primarily due to higher administrative salary charges for LIPH.

General expense decreased by \$180,441 or 51.11% due to a decrease in property insurance and compensated absences expense being \$0 due to the implementation of GASB 101, which no longer requires compensated expense to be recognized.

Maintenance increased by \$119,698 or 17.89% primarily due to higher maintenance salary charges for LIPH and an increase in extraordinary maintenance due to capital funds being used to make improvements.

St. James Housing Authority
Management's Discussion and Analysis
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Budgetary Analysis

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

Low Income Public Housing

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
Operating revenue				
Rental income	\$ 531,177	\$ 497,997	\$ (33,180)	-6.25%
Other Tenant Revenue	49,301	74,438	\$ 25,137	50.99%
Operating subsidy	1,073,309	1,114,883	41,574	3.87%
Capital funds	500,160	15,061	(485,099)	-96.99%
Other grants	-	20,998	20,998	100.00%
Investment income	539	584	45	8.30%
Fraud recovery	1,273	-	(1,273)	-100.00%
Other income	10,794	29,965	19,171	177.61%
Total revenue	2,166,553	1,753,926	(412,627)	-19.05%
Expenses				
Administrative	515,796	538,256	(22,460)	-4.35%
Tenant services	34,632	49,337	(14,705)	-42.46%
Utilities	158,631	150,043	8,588	5.41%
Maintenance	438,407	648,782	(210,375)	-47.99%
Insurance	260,108	169,847	90,261	34.70%
General expenses	195,715	116,535	79,180	40.46%
Depreciation	-	308,241	(308,241)	-100.00%
Extraordinary Maintenance	-	92,211	(92,211)	-100.00%
Total expenses	1,603,289	2,073,252	(469,963)	-29.31%
Income (over)/under expense	\$ 563,264	\$ (319,326)	\$ (882,590)	-156.69%

Other Tenant Revenue was over budget by \$25,137 or 50.99% due to greater than expected revenue received from tenants.

Capital funds revenue was under budget by \$485,099 or 96.99% due to a decrease in drawdowns made for capital improvements.

Other Grants was over budget by \$20,998 or 100% due to receiving an additional FEMA grant that was not projected in the budget.

St. James Housing Authority
Management's Discussion and Analysis
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Other Income was over budget by \$19,171 or 177.61% primarily due to the budgeted amount being based on an annualized estimation of the year-to-date balances as of July 2022.

General Expense was under budget by \$79,180 or 40.46% due to lower than anticipated employee benefit expense.

Depreciation Expense was over budget by \$308,241 or 100%. This is due to depreciation not being included with the budgeting for expenses.

Extraordinary Maintenance was over budget by \$92,211 or 100% due to not being included with the budgeting for expenses.

Capital assets

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

	2023	2022	Increase (Decrease)	Percent Variance
Land	\$ 439,459	\$ 439,459	\$ -	0.00%
Buildings	15,847,465	15,039,390	808,075	5.37%
Furniture and equipment	489,496	550,434	(60,938)	-11.07%
Lease equipment	15,166	-	15,166	100.00%
	<u>16,791,586</u>	<u>16,029,283</u>	<u>762,303</u>	<u>4.76%</u>
Less: accumulated amortization	(2,022)	-	(2,022)	100.00%
Less: accumulated depreciation	<u>(13,472,170)</u>	<u>(13,021,318)</u>	<u>(450,852)</u>	<u>3.46%</u>
Capital assets, net	<u>\$ 3,317,394</u>	<u>\$ 3,007,965</u>	<u>\$ 309,429</u>	<u>10.29%</u>

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

Capital funding available for 2023 is as follows:

	Grant	Total Budget	Expended through 09/30/23	Budget Remaining at 09/30/23
Capital Fund Program 2020	501-20	616,287	586,430	29,857
Capital Fund Program 2021	501-21	646,595	198,980	447,615
Capital Fund Program 2022	501-22	807,280	-	807,280
Capital Fund Program 2023	501-23	803,450	-	803,450
				<u>\$ 2,088,202</u>

St. James Housing Authority
Management's Discussion and Analysis
September 30, 2023

Significant economic factors affecting the Authority are as follows:

The Department of Housing and Urban Development (HUD) has historically been underfunded to meet the subsidy needs of public housing authorities (PHAs). We do not expect this consistent trend to change. The effects of recapture and sequestration on funding and reserve balance along with efforts to eliminate RNP in the Housing Choice Voucher program.

Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. Further, funding for the Departments of Defense and Homeland Security will probably result in reduced appropriations for all other domestic program spending.

Changing cost of utility rates, supplies, and other costs may impact our budgets in future years.

The impact of the COVID-19 pandemic on the economy and government funding.

The impact of hurricane Ida on the Louisiana economy, reduced rental income, increased renovation expenses, and government funding.

Request for Information

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

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

St. James Parish Housing Authority

Statement of Net Position

September 30, 2023

	Primary Government	Discretely Presented Component Units
ASSETS		
Current Assets		
Cash and equivalents		
Unrestricted	\$ 1,636,573	\$ 25,342
Restricted	61,098	96,526
Subtotal	1,697,671	121,868
Accounts receivable, net	1,181,944	13,868
Prepaid expenses	144,153	15,708
Inventory, net	20,833	-
Total Current Assets	3,044,601	151,444
Non-Current Assets		
Notes receivable	2,066,657	-
Intangibles, net	-	45,104
Capital assets, net	3,317,394	8,152,222
Total Non-Current Assets	5,384,051	8,197,326
TOTAL ASSETS	8,428,652	8,348,770
DEFERRED OUTFLOW OF RESOURCES		
	-	-
LIABILITIES		
Current Liabilities		
Accounts payable	1,498	53,583
Accrued liabilities	77,078	59,201
Deposits held in trust	28,851	17,820
Compensated absences, current	24,124	-
Unearned revenue	4,842	5,903
Debt and lease payable, current	2,818	24,465
Total Current Liabilities	139,211	160,972
Non-Current Liabilities		
Compensated absences, non-current	96,497	-
Funds held in trust	28,174	428,735
Debt and lease payable, non-current	472,550	3,952,023
Total Non-Current Liabilities	597,221	4,380,758
TOTAL LIABILITIES	736,432	4,541,730
DEFERRED INFLOW OF RESOURCES		
	-	-
NET POSITION		
Net investment in capital assets	3,304,026	4,175,734
Restricted	4,073	78,706
Unrestricted	4,384,121	(447,400)
TOTAL NET POSITION	\$ 7,692,220	\$ 3,807,040

St. James Parish Housing Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2023

	Primary Government	Discretely Presented Component Units
<u>OPERATING REVENUES</u>		
Rental revenues, net	\$ 542,917	\$ 477,788
Government grants	2,043,444	-
Other income	146,245	-
TOTAL OPERATING REVENUES	<u>2,732,606</u>	<u>477,788</u>
<u>OPERATING EXPENSES</u>		
Administration	680,952	65,007
Tenant services	214,241	-
Utilities	150,044	43,024
Maintenance and operations	788,601	44,628
Protective services	-	1,634
Insurance expense	169,847	107,516
General expense	2,239	123,235
Depreciation and amortization	452,874	392,734
TOTAL OPERATING EXPENSES	<u>2,458,798</u>	<u>777,778</u>
NET OPERATING INCOME (LOSS)	<u>273,808</u>	<u>(299,990)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	48,231	-
Interest expense	(509)	(164,709)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>47,722</u>	<u>(164,709)</u>
<u>TRANSFERS</u>		
Capital contributions	15,061	-
TOTAL TRANSFERS	<u>15,061</u>	<u>-</u>
CHANGE IN NET POSITION	336,591	(464,699)
BEGINNING NET POSITION	<u>7,355,629</u>	<u>4,271,739</u>
ENDING NET POSITION	<u>\$ 7,692,220</u>	<u>\$ 3,807,040</u>

St. James Parish Housing Authority

Statement of Cash Flows

For the Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and users	\$ 540,384
Receipts from operating grants	2,347,227
Payments to suppliers	(1,115,107)
Payments to or on behalf of employees for services	(1,001,541)

NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES **770,963**

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital asset purchases	(747,136)
Payments on leases	(2,308)
Capital contributions	15,061

NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES **(734,383)**

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investment activities	794
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NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES **794**

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS **37,374**

BEGINNING CASH AND CASH EQUIVALENTS **1,660,297**

ENDING CASH AND CASH EQUIVALENTS **\$ 1,697,671**

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

Operating income (loss)	\$ 273,808
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Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Depreciation	452,874
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Change in Assets and Liabilities

(Increase) decrease in accounts receivable	152,635
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(Increase) decrease in inventory and prepaid	(112,951)
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Increase (decrease) in accounts payable	(2,172)
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Increase (decrease) in accrued liabilities	4,399
--	-------

Increase (decrease) in deposits held in trust/unearned revenue	2,370
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Total Adjustments **497,155**

Net Cash Provided (Used) by Operating Activities **\$ 770,963**

Interest Paid **\$ 509**

NOTE 01 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Introduction

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

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

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

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

Reporting Entity

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

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

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

St. James Parish Housing Authority

Notes to Financial Statements
For the Year Ended September 30, 2023

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

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

Financial information for the Entity is presented as of and for the year-ended September 30, 2023. There is no separate audit report available, however an informational tax return (Form 990) can be obtained from SJPHA management.

The following entities are considered component units of SJPHA and based on the GASB Statement No. 61 established criteria, and the control and relationship between SJPHA and the component units, the Authority has determined these component units are required to be discretely presented on SJPHA's financial statements. The entities are all reported on a December 31, 2022, fiscal year end which is different than SJPHA fiscal year end.

Covent Trace GP, L.L.C. – the Entity was created, April 2016, as a legally separate entity, which is a Louisiana limited liability company. In July 2016, the operating agreement was amended and restated for Covent Trace GP, L.L.C., which lists St. James Housing Alliance, Inc., as having 51% membership and the managing member. The St. James Housing Alliance, Inc., has the power to bind and the power to impose its will on Covent Trace GP, L.L.C. However, there is no financial activity in this entity to be presented as of December 31, 2022.

Central Crossing GP, L.L.C. – the Entity was created, April 2016, as a legally separate entity, which is a Louisiana limited liability company. In July 2016, the operating agreement was amended and restated for Central Crossing GP, L.L.C., which lists St. James Housing Alliance, Inc., as having 51% membership and the managing member. The St. James Housing Alliance, Inc., has the power to bind and the power to impose its will on Central Crossing GP, L.L.C. However, there is no financial activity in this entity to be presented as of December 31, 2022.

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

St. James Parish Housing Authority

Notes to Financial Statements
For the Year Ended September 30, 2023

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

Separate financial statement of both Limited Partnerships, CTDLP and CCDLP, were issued for fiscal year ended December 31, 2022, and can be obtained by SJPHA.

Basic Financial Statements/Funds

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

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

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any notes or other borrowings attributable to those capital assets.

Restricted Net Position - Consists of assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other assets that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Accrual Basis of Accounting

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

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

Cash and Cash Equivalents.

SJPHA defines cash to include Certificates of Deposit, Money Market funds, savings accounts, demand deposits, and other short-term securities with original maturities of three months or less; consequently, the cost, carrying value, and market value are equivalent.

Investments

Investments consist of Certificates of Deposits with original maturities of three months or greater, consequently, the cost, carrying value, and market value are equivalent.

Accounts Receivable

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

Accounts for which no possibility of collection is anticipated are charged to bad debts expense which is netted against tenant revenues on the statement of revenues, expenses, and changes in net position. The amount of bad debt related to tenant receivables written off for the year ended September 30, 2023, was \$29,519.

Inventories

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

SJPHA's management has elected to use an allowance for obsolete inventories which it estimates based on historical data and trend analysis. As of September 30, 2023, the allowance for obsolete inventory was \$2,315.

Restricted Cash

Restricted cash consists of cash and investments that are held in trust.

Capital Assets

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

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

Depreciation

Depreciation expense of \$452,874, has been recognized during the year ended September 30, 2023.

Compensated Absences

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

Unearned Revenue

Unearned revenues consist of rental payments made by tenants in advance of their due date.

Revenues

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

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

Expenditures

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

Internal Activity

All transfers and other interfund activity balances have been eliminated from the financial statements in accordance with GASB.

Use of Estimates

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

Deferred Inflows/Outflows of Resources

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

Also, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. SJPHA had no deferred inflows of resources.

Income Taxes

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

Subsequent Events

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of the Authority through February 15, 2024, (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statement.

Recent Accounting Developments

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA) - Effective Date: The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITA by governments. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

NOTE 02 - CASH AND CASH EQUIVALENTS

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

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

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

Credit risk - SJPHA has no policy regarding credit risk.

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

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

Cash and cash equivalents were comprised of the following as of September 30, 2023:

Unrestricted:

Checking & Money Market accounts	\$ 1,636,573
Subtotal	<u>1,636,573</u>

Restricted:

Tenant security deposits	28,851
Restricted FSS escrow	28,174
Other restricted	<u>4,073</u>
Subtotal	<u>61,098</u>
Total cash & cash equivalents	<u>\$ 1,697,671</u>

St. James Parish Housing Authority

Notes to Financial Statements
For the Year Ended September 30, 2023

NOTE 03 - ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 2023, were comprised of the following:

Tenant receivables	\$ 89,416
Allowance for tenant receivables	<u>(55,740)</u>
Net tenant receivables	33,676
Due from other governments	77,888
Due from FEMA	946,364
Due from DPCU	<u>124,016</u>
Total accounts receivable	<u><u>\$ 1,181,944</u></u>

NOTE 04 - CAPITAL ASSETS

A summary of the activity for the year ended September 30, 2023, is presented below for capital assets:

	<u>09/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>09/30/23</u>
Non-depreciable				
Land	\$ 439,459	\$ -	\$ -	\$ 439,459
Construction in progress	-	15,060	(15,060)	-
Total non-depreciable	<u>439,459</u>	<u>15,060</u>	<u>(15,060)</u>	<u>439,459</u>
Depreciable				
Building and improvements	15,121,328	726,137	-	15,847,465
Furniture and equipment	468,496	21,000	-	489,496
Lease equipment	-	15,166	-	15,166
Total depreciable	<u>15,589,824</u>	<u>762,303</u>	<u>-</u>	<u>16,352,127</u>
Accumulated depreciation	(13,021,318)	(450,852)	-	(13,472,170)
Accumulated amortization	<u>-</u>	<u>(2,022)</u>	<u>-</u>	<u>(2,022)</u>
Net depreciable	<u>2,568,506</u>	<u>309,429</u>	<u>-</u>	<u>2,877,935</u>
Net capital assets	<u><u>\$ 3,007,965</u></u>	<u><u>\$ 324,489</u></u>	<u><u>\$ (15,060)</u></u>	<u><u>\$ 3,317,394</u></u>

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

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

NOTE 05 - NOTES RECEIVABLE

The notes receivable consists solely of amounts due from the discretely presented component units to SJPHA. As of

September 30, 2023, notes receivable was composed of the following:

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

\$ 700,000

On January 25, 2018, CCDLP entered into a promissory note and loan agreement with SJPHA to finance the acquisition of the property's existing building and the land it resides on. The principal balance is \$655,010, at an interest rate of 2.64% per annum and is secured by a mortgage and security agreement on the rental property. The maturity date is January 25, 2058, and payments are made from the net cash flow as defined by the agreement.

655,010

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

252,000

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

210,000

Total related party notes receivable - principal 1,817,010

Accrued interest on related party notes 249,647

Total related party notes receivable \$ 2,066,657

St. James Parish Housing Authority

Notes to Financial Statements
For the Year Ended September 30, 2023

NOTE 06 - LONG-TERM LIABILITIES

SJPHA long-term liabilities had the following activity:

	<u>09/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>09/30/23</u>
Compensated absences	\$ 98,038	\$ -	\$ (1,541)	\$ 96,497
FSS escrow	16,147	7,302	4,725	28,174
Direct borrowing - AHP debt	462,000	-	-	462,000
Lease payable	-	15,167	(4,617)	10,550
	<u>\$ 576,185</u>	<u>\$ 22,469</u>	<u>\$ (1,433)</u>	<u>\$ 597,221</u>

In 2016, the SJPHA was awarded two conditional grants under the Affordable Housing Program (AHP) for Convent Trace Project of \$210,000 and for Central Crossing Project of \$252,000. These funds are funded through direct borrowing via the Federal Home Loan Bank of Dallas. The period of compliance with these grants is 15 years from the date of issuance of the projects' Certificate of Occupancy. As the sponsor, SJPHA would be required to pay back the grant if the projects do not stay in conformity of the agreement. SJPHA has recorded a note payable of \$462,000 for these transactions but no maturity schedule is presented as no payments are required.

NOTE 07 - NET POSITION

SJPHA is required to report net position in three categories described in Note 01. The calculation to arrive at each net position is as follows:

Capital assets, net	\$ 3,317,394
Related debt	<u>(13,368)</u>
Net investment in capital assets	<u>\$ 3,304,026</u>
Restricted cash	\$ 61,098
Tenant FSS escrow liability	(28,174)
Security deposit liability	<u>(28,851)</u>
Restricted net position	<u>\$ 4,073</u>

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NOTE 08 - LEASE PAYABLE

On February 14, 2023, SJPHA entered into a lease agreement with Xerox Financial Services, L.L.C., totaling \$10,753 to lease a copier machine for the administration building. The terms of the lease call for 60 monthly payments of \$204, with an interest rate of 5.31%. The lease matures on January 14, 2028.

On February 3, 2023, SJPHA entered into a lease agreement with Pitney Bowes, Inc., totaling \$4,414 to lease a postage machine for the administration building. The terms of the lease call for 60 monthly payments of \$84, with an interest rate of 5.31%. The lease matures on January 3, 2028.

The following summarizes the obligations of the Authority on these lease agreements:

<u>Year Ended Sept 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,818	\$ 642	\$ 3,460
2025	2,973	489	3,462
2026	3,134	327	3,460
2027	3,304	156	3,460
2028	1,140	13	1,152
	<u>\$ 13,368</u>	<u>\$ 1,626</u>	<u>\$ 14,995</u>

NOTE 09 - DEFINED CONTRIBUTION PLAN

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

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 8.5 percent of each participant's basic (excludes overtime) compensation. The covered employee contributes 6 percent of the basic compensation. SJPHA's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. SJPHA's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of SJPHA.

There are no assets accumulated in a trust to pay for future contributions of SJPHA. SJPHA's total payroll for year ended September 30, 2023, was \$824,208. SJPHA's contributions were calculated using the base salary amount of \$465,495. SJPHA made the required contributions of \$38,785, which was recognized as an expense for the fiscal year. The covered employees made the required contributions of \$27,239 for the year ended September 30, 2023. SJPHA did not have any reported forfeitures for the fiscal year ended September 30, 2023.

NOTE 10 - SUB-MANAGEMENT AGREEMENT

On November 8, 2017, SJPHA had entered into a sub-management agreement with CTDLP component unit, in which SJPHA acts as the submanager for the property. The sub-manager manages the day-to-day operations of the property and supports the manager that maintains and operations the property. Based on the agreement, SJPHA receives a management fee of \$38,000 per year and an additional \$3,901 per year. As of September 30, 2023, CTDLP had no outstanding management fee balance.

On January 25, 2018, SJPHA had entered into a sub-management agreement with CCDLP component unit, in which SJPHA acts as the sub-manager for the property. The sub-manager manages the day-to-day operations of the property and supports the manager that maintains and operations the property. Based on the agreement, SJPHA receives a management fee of \$65,000 per year and an additional \$4,912 per year. As of September 30, 2023, CCDLP had no outstanding management fee balance.

During the fiscal year ended September 30, 2023, SJPHA received \$111,808 from the discretely presented component units in accordance with the sub-management agreements.

NOTE 11 - CONTINGENCIES

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

Grants and Contracts: The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of September 30, 2023.

NOTE 12 - RISK MANAGEMENT

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

NOTE 13 - ECONOMIC DEPENDENCY

SJPHA is economically dependent on the funding provided by the U.S. Department of Housing and Urban Development. The U.S. Department of Housing and Urban Development provided operating grants, which represents approximately 44% of SJPHA's total revenue for the year.

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St. James Parish Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2023

NOTE 14 - BLENDED COMPONENT UNIT

The financial statements of St. James Parish Housing Authority include a component unit St. James Housing Alliance. The companies share management and board of directors and share the same fiscal year end. Condensed financial information is provided below:

Condensed Statement of Net Position

	<u>SJPHA</u>	<u>St. James Housing Alliance</u>	<u>Eliminations</u>	<u>Business-type Activity</u>
Current assets	\$ 3,824,327	\$ 194,196	\$ (973,922)	\$ 3,044,601
Non-current assets	5,384,051	-	-	5,384,051
Total Assets	9,208,378	194,196	(973,922)	8,428,652
Deferred Outflows of Resources	-	-	-	-
Current liabilities	1,113,133	-	(973,922)	139,211
Non-current liabilities	597,221	-	-	597,221
Total Liabilities	1,710,354	-	(973,922)	736,432
Deferred Inflows of Resources	-	-	-	-
Net investment in capital assets	3,304,026	-	-	3,304,026
Restricted net position	4,073	-	-	4,073
Unrestricted net position	4,189,925	194,196	-	4,384,121
Total Net Position	\$ 7,498,024	\$ 194,196	\$ -	\$ 7,692,220

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St. James Parish Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2023

Condensed Statement of Revenues, Expenses and Changes in Fund Net Position

	SJPHA	St. James Housing Alliance	Eliminations	Business-type Activity
Dwelling rent, net	\$ 542,917	\$ -	\$ -	\$ 542,917
Government grants, operating	2,043,444	-	-	2,043,444
Other income	146,245	-	-	146,245
Total Operating Revenues	2,732,606	-	-	2,732,606
Administration	680,952	-	-	680,952
Tenant services	214,241	-	-	214,241
Utilities	150,044	-	-	150,044
Maintenance and operations	788,601	-	-	788,601
Insurance expense	169,847	-	-	169,847
General expense	2,239	-	-	2,239
Depreciation	452,874	-	-	452,874
Total Operating Expenses	2,458,798	-	-	2,458,798
Net Operating Income (Loss)	273,808	-	-	273,808
Non-operating revenue (expenses)	48,231	-	-	48,231
Interest expense	(509)	-	-	(509)
Capital contribution	15,061	-	-	15,061
Change in Net Position	336,591	-	-	336,591
Beginning net position	7,161,433	194,196	-	7,355,629
Equity transfer	-	-	-	-
Ending net position	<u>\$ 7,498,024</u>	<u>\$ 194,196</u>	<u>\$ -</u>	<u>\$ 7,692,220</u>

Condensed Statement of Cash Flows

	SJPHA	St. James Housing Alliance	Eliminations	Business-type Activity
Net cash provided (used) by:				
Operating activities	\$ 770,963	\$ -	\$ -	\$ 770,963
Capital and related financing activities	(734,383)	-	-	(734,383)
Investing activities	794	-	-	794
Beginning cash	1,466,101	194,196	-	1,660,297
Ending cash	<u>\$ 1,503,475</u>	<u>\$ 194,196</u>	<u>\$ -</u>	<u>\$ 1,697,671</u>

St. James Parish Housing Authority

Statement and Certification of Actual Costs

September 30, 2023

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

Grant	Funds Approved	Funds Disbursed	Funds Expended	Balance Unspent
<i>LA48P092501-20</i>	\$ 616,287	\$ 586,430	\$ 586,430	\$ 29,857
<i>LA48P092501-21</i>	\$ 646,595	\$ 198,980	\$ 198,980	\$ 447,615
<i>LA48P092501-22</i>	\$ 807,280	\$ -	\$ -	\$ 807,280
<i>LA48P092501-23</i>	\$ 803,450	\$ -	\$ -	\$ 803,450

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

St. James Parish Housing Authority
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2023

<u>FEDERAL GRANTOR</u>	<u>Assistance Listing Number(s)</u>	<u>Federal Expenditures</u>
U.S. Department of HUD		
<i>Direct Programs</i>		
Public and Indian Housing	14.850	\$ 954,441
Public Housing Capital Fund	14.872	196,501
Resident Opportunity and Supportive Services	14.870	62,137
Public Housing Family Self Sufficiency	14.877	<u>101,939</u>
<i>Total U.S. Department of HUD</i>		<u>1,315,018</u>
U.S. Department of Homeland Security		
<i>Direct Programs</i>		
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	<u>743,487</u>
<i>Total U.S. Department of Homeland Security</i>		<u>743,487</u>
TOTAL FEDERAL AWARDS		<u><u>\$ 2,058,505</u></u>

Note 01 - Summary of Significant Accounting Policies to the Schedule of Expenditures of Federal Awards

A.) Scope of Presentation

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

B.) Basis of Accounting

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

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

C.) Subrecipients

During the fiscal year ended September 30, 2023, SJPHA disbursed no Federal funds to subrecipients.

D.) 10% De Minimis Indirect Costs Rate

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

Schedule of Compensation, Benefits and Other Payments to Agency Head

Agency Head Name: Dana S. Groover, Executive Director

Purpose		
<i>Salary</i>	\$	153,366
<i>Benefits - insurance</i>	\$	8,203
<i>Benefits - retirement, including social security and medicare</i>	\$	28,025
<i>Deferred compensation plan</i>	\$	1,950
<i>Cell phone</i>	\$	-
<i>Car allowance</i>	\$	3,450
<i>Vehicle provided by government</i>	\$	-
<i>Per diem</i>	\$	-
<i>Dues</i>	\$	-
<i>Reimbursements</i>	\$	243
<i>Registration fees</i>	\$	-
<i>Conference travel</i>	\$	2,999

Schedule of Compensation Paid Board Members

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

- Florian Oubre, Chairman*
- Lameka Williams-Gaines*
- Leo McQueen*
- Adam Koenig, Vice Chairman*
- Youlander Williams*

St. James Parish Housing Authority

Combining Statement of Net Position - Discretely Presented Component Unit

September 30, 2023

	Convent Trace Development, L.P.	Central Crossing Development, L.P.	DPCU Total
ASSETS			
Current Assets			
Cash and cash equivalents			
Unrestricted	\$ 16,423	\$ 8,919	\$ 25,342
Restricted	53,338	43,188	96,526
Subtotal	69,761	52,107	121,868
Accounts receivable, net	8,793	5,075	13,868
Prepaid expenses	8,852	6,856	15,708
Inventory, net	-	-	-
Interfund due from	-	-	-
Total Current Assets	87,406	64,038	151,444
Non-Current Assets			
Notes receivable	-	-	-
Intangibles, net	32,204	12,900	45,104
Capital assets, net	4,632,183	3,520,039	8,152,222
Total Non-Current Assets	4,664,387	3,532,939	8,197,326
TOTAL ASSETS	4,751,793	3,596,977	8,348,770
DEFERRED OUTFLOWS OF RESOURCES			
	-	-	-
LIABILITIES			
Current Liabilities			
Accounts payable	25,164	28,419	53,583
Accrued liabilities	28,960	30,241	59,201
Deposits held in trust	10,593	7,227	17,820
Compensated absences, current	-	-	-
Unearned revenue	2,331	3,572	5,903
Debt, current	13,456	11,009	24,465
Interfund due to	-	-	-
Total Current Liabilities	80,504	80,468	160,972
Non-Current Liabilities			
Compensated absences, non-current	-	-	-
Funds held in trust	204,561	224,174	428,735
Long-term debt, non-current	2,351,118	1,600,905	3,952,023
Total Non-Current Liabilities	2,555,679	1,825,079	4,380,758
TOTAL LIABILITIES	2,636,183	1,905,547	4,541,730
DEFERRED INFLOWS OF RESOURCES			
	-	-	-
Net Position			
Net investment in capital assets	2,281,107	1,894,627	4,175,734
Restricted	-	78,706	78,706
Unrestricted	(165,497)	(281,903)	(447,400)
TOTAL NET POSITION	\$ 2,115,610	\$ 1,691,430	\$ 3,807,040

St. James Parish Housing Authority

Combining Statement of Revenues, Expenses, and Changes in Net Position - Discretely Present Component Unit

For the Year Ended September 30, 2023

	Convent Trace Development, L.P.	Central Crossing Development, L.P.	DPCU Total
<u>Operating Revenues</u>			
Rental revenues, net	\$ 272,900	\$ 204,888	\$ 477,788
Government grants	-	-	-
Other income	-	-	-
Total Operating Revenues	272,900	204,888	477,788
<u>Operating Expenses</u>			
Administration	41,443	23,564	65,007
Tenant services	-	-	-
Utilities	24,397	18,627	43,024
Maintenance and operations	21,531	23,097	44,628
Protective services	863	771	1,634
Insurance expense	61,312	46,204	107,516
General expense	75,539	47,696	123,235
Depreciation and amortization	208,314	184,420	392,734
Total Operating Expenses	433,399	344,379	777,778
OPERATING INCOME (LOSS)	(160,499)	(139,491)	(299,990)
<u>Non-Operating Revenues (Expenses)</u>			
Interest income	-	-	-
Gain/(loss) on disposal of capital asset	-	-	-
Interest expense	(91,435)	(73,274)	(164,709)
Total Non-Operating Revenues (Expenses)	(91,435)	(73,274)	(164,709)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(251,934)	(212,765)	(464,699)
<u>Capital Contributions and Transfers</u>			
Government grants, capital contributions	-	-	-
Total Capital Contributions and Transfers	-	-	-
CHANGE IN NET POSITION	(251,934)	(212,765)	(464,699)
BEGINNING NET POSITION	2,367,544	1,904,195	4,271,739
ENDING NET POSITION	\$ 2,115,610	\$ 1,691,430	\$ 3,807,040

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

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

Independent Auditors' Report

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the St. James Parish Housing Authority (SJPHA), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise St. James Parish Housing Authority's basic financial statements, and have issued our report thereon dated February 15, 2024. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. James Parish Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. James Parish Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 15, 2024

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

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

Independent Auditors' Report

Report on Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited St. James Parish Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of St. James Parish Housing Authority's major federal programs for the year ended September 30, 2023. St. James Parish Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, St. James Parish Housing Authority 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of St. James Parish Housing Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of St. James Parish Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to St. James Parish Housing Authority's federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on St. James Parish Housing Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about St. James Parish Housing Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding St. James Parish Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

Obtain an understanding of St. James Parish Housing Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of St. James Parish Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

February 15, 2024

Section I Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

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

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

Section II Financial Statement Findings

No findings.

Section III Federal Awards Findings

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

St. James Parish Housing Authority

Summary Schedule of Prior Year Findings and Questioned Costs

For the Year Ended September 30, 2023

Financial Statement Findings

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

Federal Award Findings and Questioned Costs

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