

**Housing Authority of the Town of Newellton  
Newellton, Louisiana**

**Annual Financial Report  
As of and for the Year Ended June 30, 2000**

**Bonding Authority of the Town of Newfido**

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# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 2073

Monroe, LA 70114-0073

2410 Federal Street  
Baton Rouge, LA 70802

Phone: (504) 833-4433  
Fax: (504) 833-4433

Toll-free: (800) 744-0000  
www.allengreenw.com

The CPA

Margie Williamson, CPA

David, Allen, CPA  
(Successor)  
1987 - 1989

## Independent Auditors' Report

Board of Commissioners  
Housing Authority of the Town of Newellton  
Newellton, Louisiana

We have audited the accompanying general purpose financial statements of the Housing Authority of the Town of Newellton as of and for the year ended June 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority, as of June 30, 2003, and the results of its operations and its cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2003, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying supplemental information listed in the table of contents and the Schedule of Expenditures of Federal Awards which is required by U.S. Office of Management and Budget Circular No. 113, *Analysis of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Also, the accompanying other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Housing Authority. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 12, 2003

## HOUSING AUTHORITY OF THE TOWN OF NEWELLTON

**ENTERPRISE FUNDS**  
**Combined Balance Sheet**  
**June 30, 2002**

Statement A

**ASSETS**

## Current Assets

Cash and cash equivalents	\$ 8,807
Accounts receivable - HUD, net of allowance of \$0-	<u>2,511</u>
Total Current Assets	<u>11,318</u>

## Fixed Assets

Land, buildings, and equipment (net)	<u>982</u>
<b>TOTAL ASSETS</b>	<u><b>12,300</b></u>

**LIABILITIES AND FUND EQUITY**

## Current Liabilities

Compensated absences payable	739
Accounts payable	<u>540</u>
Total Current Liabilities	1,279

## Noncurrent Liabilities

Compensated absences	<u>2,832</u>
Total Liabilities	<u>4,111</u>

## Fund Equity

Retained earnings:	
Unreserved	<u>8,189</u>
Total Fund Equity	<u>8,189</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>12,300</b></u>

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

## HOUSING AUTHORITY OF THE TOWN OF NEWELLTON

**ENTERPRISE FUNDS**  
 Combined Statement of Revenues, Expenses,  
 and Changes in Fund Equity  
 For the Year Ended June 30, 2000

Statement B

<b>OPERATING REVENUES</b>	
Other	\$ 1,189
Total revenues	<u>1,189</u>
<b>OPERATING EXPENSES</b>	
Administration	60,821
General expenses	16,340
Housing assistance payments	212,770
Depreciation expense	<u>760</u>
Total operating expenses	<u>370,691</u>
Income (loss) from Operations	<u>(369,502)</u>
Nonoperating revenues (expenses):	
Interest earnings	300
Federal grants	<u>317,857</u>
Total nonoperating revenues (expenses)	<u>318,157</u>
<b>NET INCOME (Loss)</b>	<b>179</b>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>7,418</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<b>\$ 8,002</b>

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

HOUSING AUTHORITY OF THE TOWN OF NEWELLTON

ENTERPRISE FUNDS  
 Combined Statement of Cash Flows  
 For the Year Ended June 30, 2000

Statement C

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (25,781)
Adjustments to reconcile net income (loss) to	
Net cash provided by operating activities	
Depreciation expense	780
Changes in operating current assets and liabilities:	
Decrease (increase) in accounts receivable	(1,027)
Increase (Decrease) in accounts payable	<u>540</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(25,488)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Federal grants	<u>277,737</u>
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>277,737</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase fixed assets	<u>(400)</u>
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(400)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Interest earnings	<u>200</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>200</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	801
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>7,408</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 8,209</u>

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

**Showing Authority of the Terms of Resolution  
Notes to the Financial Statements**

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**Housing Authority of the Town of Newellton**  
**Note to the Financial Statements**

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

**A. REPORTING ENTITY** Housing Authorities are chartered as public corporations under the laws (L.A. P.S. 88-199) 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 need for the Housing Authority in function in each city or parish. The Housing Authority of the Town of Newellton is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Newellton, serve a term of four years.

The Housing Authority participates in a Section 8 housing assistance payment program. The housing choice voucher program provides assistance to low-income persons seeking housing by subsidizing rents between residents and owners of existing private housing. Under this program, the Housing Authority enters into housing assistance payment contracts with landlords. The program provides for a voucher which can be used by the resident to pay rent to any landlord he chooses.

The Housing Authority has the following units:

Section 8 Housing Choice Vouchers	FY 2016	129
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**GASB Statement No. 14** established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and financially independent, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, account groups, activities, or assets, that are within the oversight responsibility of the Housing Authority.

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

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying general-purpose financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying general-purpose financial statements do not include various tenant associations which are legally separate entities.

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

All funds of the Housing Authority are proprietary funds.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the measurement of equity, is an important financial indicator.

**Housing Authority of the Town of Newfrees**  
**Notes to the Financial Statements**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on its balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 28, to apply all GASB pronouncements and only FASB pronouncements issued before November 20, 1989.

**D. BUDGETS**

**General Budget Policies** The Housing Authority adopted budgets for all funds. HUD approves all budgets for all HUD-funded programs. The budget is controlled by fund at the function level. Budgetary amendments require approval of the governing body.

All appropriations lapse at year-end.

**Encumbrance** Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. Encumbrances are not recognized within the accounting records for budgetary control purposes.

Formal budget integration (within the accounting records) is not employed as a management control device.

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

**F. FIXED ASSETS** Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the estimated useful lives:

Portable buildings	7 years
Furniture and equipment	3 years

**G. COMPENSATED ABSENCES** Employees may accumulate up to six weeks of sick and annual leave which may be received upon termination or retirement.

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

**NOTE 3 - DEPOSITS** Deposits of the primary government are stated at cost which approximates market. Under state law, deposits for the resulting bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the Housing Authority's carrying amount of deposits was \$4,607 and the bank balance was \$3,840. This bank balance was covered by federal depositary insurance (FDIC - Category 1).

**Housing Authority of the Town of Newellton  
Notes to the Financial Statements**

**NOTE 3 - FIXED ASSETS** The changes in fixed assets for the year are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Portable building	118,715	1 0	0	118,715
Furniture and equipment	8,882	800	0	9,682
Total	<u>127,597</u>	<u>800</u>	<u>0</u>	<u>128,397</u>
Less accumulated depreciation:				
Portable building	18,720	0	0	18,720
Furniture and equipment	8,258	780	0	9,038
Total	<u>26,978</u>	<u>780</u>	<u>0</u>	<u>27,758</u>
Fixed assets, net	<u>100,619</u>	<u>20</u>	<u>0</u>	<u>100,639</u>

**NOTE 4 - COMPENSATED ABSENCE PAYABLE** The following is a summary of the long-term obligation transactions for the year ended June 30, 2003:

	Compensated Absence Payable
Balance at beginning of year	52,760
Additions	1,752
Deletions	<u>11,731</u>
Balance at end of year	<u>42,781</u>

There were no changes in compensated absence payable for covered year due to the Housing Authority not maintaining leave records.

**NOTE 5 - CONTINGENCIES**

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

**NOTE 6 - DEFINED CONTRIBUTION PLAN** The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the first anniversary date of employment. Each participant in the plan is required to make a monthly contribution equal to five percent of his effective compensation. The employer makes a monthly contribution equal to seven percent of each participant's effective compensation. The Housing Authority's contribution for each employee (and income allocated to the employee's account) are fully vested after five years of continuous service. The Housing Authority's contributions for and interest thereon by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority currently has only one employee participating in the plan.

The Housing Authority's total payroll for the fiscal year ended June 30, 2003, was \$18,845. The total payroll for the covered employee was \$15,798. Both the Housing Authority and the covered employee made the required contributions, amounting to \$2,508.

**Housing Authority of the Town of Newellton**  
**Notes to the Financial Statements**

**NOTE 7 - RISK MANAGEMENT** The Housing Authority is exposed to various risks of loss related to theft, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

**NOTE 8 - ECONOMIC DEPENDENCY** Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$11,711 to the Housing Authority, which represents approximately 10.0% of the Housing Authority's total revenue for the year.

**Flowing Authority of the Town of Newilton**

**Supplemental Information**

**GENERAL**

**COMPENSATION PAID BOARD MEMBERS**

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

Mr. Edwin Ditt, Chairman

Ms. Chae Bann

Mr. Billy Mitchell

Mr. Kenneth Morgan

Ms. David Delaney



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 4075

Monroe, LA 70133-4075

2014 Fiscal Year

Monroe, LA 70137

Phone: (504) 341-2200

Fax: (504) 341-2200

Website: (504) 341-2200

[www.allengreenw.com](http://www.allengreenw.com)

The Green, CPA

Meghan Williamson, CPA

Allen, Green, CPA

(504) 341-2200

(504) 341-2200

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

### **Board Members**

Housing Authority of the Town of Newellton  
Newellton, Louisiana

We have audited the financial statements of the Housing Authority of the Town of Newellton as of and for the year ended June 30, 2011, and have issued our report thereon dated December 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

### **Compliance**

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

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions are matters concerning our activities relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Housing Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as Item 81-F1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We consider Item 81-F1 to be a material weakness.

### **Management Letter Items**

We also noted a matter involving internal control over financial reporting, which we have reported to management of the Housing Authority in a separate letter dated December 12, 2011.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 34:511, this report is distributed by the Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 12, 2003



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6077

Monroe, LA 70001-6077

2600 Monroe Street  
Monroe, LA 70001

Phone: (225) 389-4100  
Fax: (225) 389-4994

Website: <http://www.allengreen.com>  
[www.allengreen.com](http://www.allengreen.com)

Tom Green, CPA

Walter Williamson, CPA

David L. Jiles, CPA  
(Retired)  
1987 - 2006

## Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board Members  
Housing Authority of the Town of Newellton  
Newellton, Louisiana

### Compliance

We have audited the compliance of the Housing Authority of the Town of Newellton with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The Housing Authority's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 65-175.

### Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and its test and report on internal control over compliance in accordance with OMB Circular No. A-133.

We noted certain matters involving internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Housing Authority's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 65-67 and 69-73.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe reportable condition 67-73 is a material weakness.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be used or should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:112, this report is distributed by the Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Metairie, Louisiana  
December 12, 2001

**Housing Authority of the Town of Newton  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2022**

<b>FEDERAL GRANTOR/          PASS-THROUGH GRANTEE/PROGRAM NAME:</b>	<b>CFDA          Number:</b>	<b>Grant ID#</b>	<b>Expenditures</b>
<b>CASH FEDERAL AWARDS:</b>			
United States Department of Housing and Urban Development Section 8 Housing Choice Voucher Program	14.871	FW 2216	<u>\$177,300</u>
Total United States Department of Housing and Urban Development			<u>\$177,300</u>

**Housing Authority of the Town of Newellton**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

**NOTE 1 - GENERAL.** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the Town of Newellton, Newellton, Louisiana. The Housing Authority of the Town of Newellton (the Housing Authority) reporting entity is defined in Note 1 to the Housing Authority's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING.** The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's general-purpose financial statements.

**NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS.** Federal awards revenues are reported in the Housing Authority's general-purpose financial statements as follows:

Federal Revenues

Section 8 Housing Choice Voucher Program

\$177,302

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



**Housing Authority of the Town of Norwalk  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1983**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Reference Code(s):** **HC1**

**Inadequate Segregation of Duties**

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

**Criteria or specific requirements:** Incompatible functions should not be performed by one person to ensure any discrepancies will be noted in the normal course of business.

**Condition found:** Nearly all functions of the Housing Authority are performed by the Executive Director and part-time employees. These functions include purchasing, disbursements, reconciliations, unreviewing of transactions. Some controls over receipts and disbursements do exist. Receipts from HUD are wire-transferred to the bank account. Checks require two signatures, the Executive Director and a member of the Board, however, the part-time employee is also allowed to sign checks.

**Impact perspective for finding, its prevalence and consequences:** The Housing Authority has only one full-time employee and one regular part-time employee.

**Possible corrected effect (cause and effect):**

**Cause:** The Housing Authority's work load only requires one full-time employee and one regular part-time employee.

**Effect:** Incompatible functions are performed by one person.

**Recommendations to prevent future occurrences:** Checks could be written by the part-time employee and the full-time employee could sign all checks and perform the bank reconciliation. The part-time employee should not be allowed to sign checks.



**Housing Authority of the Town of Newellton**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2003**

**PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-113 Section 509(a):**

**Critical or specific requirement:** The Housing Authority must determine family income and composition at least once every twelve months and adjust the total rent and housing assistance payment as necessary (24CFR sections 1.607 and 960.209). Changes in the rent calculation resulting from a review should be reflected on the rental register.

The Housing Authority is required to submit Form 50834 electronically to HUD each time the Housing Authority completes an administrative examination. The following key line items contain critical information: effective date of action, names, dates of birth, social security numbers, unit address, and inspection dates, total annual income, and gross rent of unit.

**Condition found:** In testing of resident files, the following exceptions were noted:

- One file in which the HAP amount was not calculated correctly on form 50834.
- One file in which the HAP amount for one month was not paid.

**Frayer perspective for judging the prevalence and consequences:** The above condition was noted from testing of 15 files.

**Possible asserted effect, cause, and effect:**

**Cause:** The Housing Authority is not reviewing system-generated form 50834 for accuracy.

**Effect:** The Housing Authority is paying incorrect housing assistance payments when the HAP amount is not calculated correctly.

**Recommendation to prevent future occurrences:** The Housing Authority should have a check-and-balance system that once the information is entered into the computer system, the employees manually recalculate the HAP amount to verify the system calculated it correctly.



**Housing Authority of the Town of Newellton**  
**Summary Schedule of Prior Audit Findings**  
**June 30, 2003**

There were 14 disbursements tested in which the following was noted:

- One disbursement had only one signature.
- Two disbursements had sales tax included.
- Three disbursements had documentation that was not approved or marked paid.

**Corrective action taken:** The Housing Authority has resolved this condition. All disbursements are being reviewed and approved.

**Person responsible for corrective action:**

Ms. Kaylene Baker  
Housing Authority of the  
Town of Newellton  
P. O. Box 1020  
Newellton, LA 71277-1020

Telephone: (337) 467-2151  
Fax: (337) 467-2668

**Finding reference#:** 02-01

**Independent Segregation of Duties**

**Initially occurred:** Fiscal year ended June 30, 1996.

**Condition:** Incompatible functions should not be performed by one person to ensure any discrepancies will be noted in the normal course of business.

Nearly all functions of the Housing Authority are performed by the Executive Director and part-time employees. These functions include purchasing, disbursements, reconciliations, and recording of transactions. Some controls over receipts and disbursements do exist. Receipts from ELD are wire-transferred to the bank account. Checks require two signatures, the Executive Director and a member of the Board; however, the part-time employee is also allowed to sign checks.

**Corrective action planned:** See Finding 02-02.

**Person responsible for corrective action:**

Ms. Kaylene Baker  
Housing Authority of the  
Town of Newellton  
P. O. Box 1021  
Newellton, LA 71277-1021

Telephone: (337) 467-2151  
Fax: (337) 467-2668

**Finding reference#:** 02-02

**No Personnel Files Maintained**

**Initially occurred:** Fiscal year ended June 30, 2002.

**Condition:** Good internal controls require that a systematic method be established to verify hours worked for the payroll system such as time checks or sign-in sheets. Good internal controls also require that deviations from the established system should be well documented.

A test of a sample of payroll checks indicated that there are no personnel files maintained. Employees do not use time cards or sign-in sheets. Also, the amount of money paid for the hours worked in a set amount unless the Executive Director approves additional hours for the part-time employee.

**Housing Authority of the Town of Newellton**  
**Summary Schedule of Prior Audit Findings**  
**June 30, 2003**

**Corrective action taken:** The Housing Authority has set up personnel files for all employees and is maintaining those files.

**Person responsible for corrective action:**

Mrs. Kaylene Dabir  
Housing Authority of the  
Town of Newellton  
P. O. Box 9021  
Newellton, LA 71297-9021

Telephone: (337) 467-2114  
Fax: (337) 467-2660

**Ending reference#:** 06-03

**Vendor Disbursements**

**Initially occurred:** Fiscal year ended June 30, 2003.

**Condition:** All disbursements should be reviewed and approved by the Executive Director to ensure all functions have been completed.

There were 14 disbursements noted in which the following was noted:

- One disbursement had only one signature.
- Two disbursements had sales tax included.
- Three disbursements had documentation that was not approved or marked paid.

**Corrective action taken:** The Housing Authority has resolved this condition. All disbursements are being reviewed and approved.

**Person responsible for corrective action:**

Mrs. Kaylene Dabir  
Housing Authority of the  
Town of Newellton  
P. O. Box 9021  
Newellton, LA 71297-9021

Telephone: (337) 467-2114  
Fax: (337) 467-2660

**Housing Authority of the Town of Newellton**  
**Corrective Action Plan for Current Year Findings and Questioned Costs**  
**June 30, 2003**

**Reference # and title:** 03-01

**Inadequate Segregation of Duties**

**Condition found:** Incompatible functions should not be performed by one person to ensure any discrepancies will be noted in the normal course of business.

Nearly all functions of the Housing Authority are performed by the Executive Director and part-time employees. These functions include purchasing, disbursements, reconciliations, and recording of transactions. Some controls over receipts and disbursements do exist. Receipts from HUD are wire-transferred to the bank account. Checks require two signatures, the Executive Director and a member of the Board, however, the part-time employee is also allowed to sign checks.

**Corrective action planned:** HAP checks are created by the part-time employee and are written by the full-time employee. The full-time employee, the chairman, and a board member will sign checks. The part-time employee will not sign checks.

**Person responsible for corrective action:**

Ms. Kaylene Baker  
Housing Authority of the  
Town of Newellton  
P. O. Box 1011  
Newellton, LA 71057-1011

Telephone: (337) 407-2111  
Fax: (337) 407-2660

**Anticipated completion date:** Immediately.

**Reference # and title:** 03-02

**Inadequate Segregation of Duties**

**Condition found:** Incompatible functions should not be performed by one person to ensure any discrepancies will be noted in the normal course of business.

Nearly all functions of the Housing Authority are performed by the Executive Director and part-time employees. These functions include purchasing, disbursements, reconciliations, and recording of transactions. Some controls over receipts and disbursements do exist. Receipts from HUD are wire-transferred to the bank account. Checks require two signatures, the Executive Director and a member of the Board, however, the part-time employee is also allowed to sign checks.

**Corrective action planned:** HAP checks are created by the part-time employee and are written by the full-time employee. The full-time employee, the chairman, and a board member will sign checks. The part-time employee will not sign checks.

**Person responsible for corrective action:**

Ms. Kaylene Baker  
Housing Authority of the  
Town of Newellton  
P. O. Box 1011  
Newellton, LA 71057-1011

Telephone: (337) 407-2111  
Fax: (337) 407-2660

**Anticipated completion date:** Immediately.

**Housing Authority of the Town of Newilton**  
**Corrective Action Plan for Current-Year Findings and Questioned Costs**  
**June 30, 2010**

**Reference and title: 82-E1**

**Resident File**

**Condition found:** The Housing Authority must recalculate family income and composition at least once every twelve months and adjust the total rent and housing assistance payment as necessary (24CFR, sections 5.617 and 960.209). Changes in the rent calculation resulting from a reexamination should be reflected on the rental register.

The Housing Authority is required to submit form 5000 electronically to HUD each time the Housing Authority completes a recalculation or reexamination. This following key file items contain critical information of the results of action, names, date of birth, social security numbers, rent address, unit inspection data, total annual income, and gross rent of unit.

In testing of resident files, the following exceptions were noted:

One file in which the HAP amount was not calculated correctly on 5000s.

One file in which the HAP amount for one month was not paid.

**Corrective action planned:** The incorrect calculation was a software problem. The Housing Authority has changed its software program and made necessary corrections. When an owner/landlord does not sign the contract renewal forms when due a HAP payment is not received. Payment is rechecked until all contract and other related forms are signed and in resident file. This is what happened in this matter, however, all payments have been made and the problem resolved.

**Person responsible for corrective action:**

Ms. Kaylene Baker  
Housing Authority of the  
Town of Newilton  
P. O. Box 1001  
Newilton, LA 71207-0001

Telephone: (337) 407-2151  
Fax: (337) 407-2890

**Anticipated completion date:** Immediately.



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 9070

Metairie, LA 70001-9070

2614 Farnham Street  
Metairie, LA 70001

Phone (504) 885-4422  
Fax (504) 885-4884

Toll-free (800) 767-4888  
[www.aggw.com](http://www.aggw.com)

Tim Green, CPA

Margie Williamson, CPA

David L. Allen, CPA  
Partner  
(504) 717-1100

## Management Letter

### Board Members

Housing Authority of the Town of Newellton  
Newellton, Louisiana

In planning and performing our audit of the general purpose financial statements of the Housing Authority of the Town of Newellton for the year ended June 30, 2009, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 12, 2009, on the financial statements of the Housing Authority. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

### 504M Fixed Assets Listing

**Comment:** The fixed assets listing is not maintained on a current basis and there is no capitalization threshold. Also, no items are tagged and there is no tagging/disposal process.

**Recommendation:** The Housing Authority should set a capitalization threshold and establish procedures to ensure capital items exceeding the threshold are added to the listing and the items are tagged.

**Management's response:** A policy for capitalization of fixed assets will be written and submitted to the Board for approval.

\*\*\*\*\*

Also included are management's responses to our current year management letter items. We have performed no audit work to verify the content of the responses.

Immediately following this letter is a Status of Prior Management Letter Items. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on prior management letter items and performed procedures to assess the reasonableness of the Status of Prior Management Letter Items prepared by the auditee, and we would report, as a current year management letter item when Allen, Green & Williamson, LLP, concludes that the Status of Prior Management Letter Items materially misrepresents the status of any prior management letter items.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 28:113, this report is distributed by the Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Metairie, Louisiana  
December 12, 2000

**Housing Authority of the Town of Newellton**  
**State of Prior Management Letter Items**  
**June 30, 2003**

**Finding reference # and title:** 02-011      **Flood Areas Listing**

**Comment:** The flood areas listing is not maintained on a current basis and there is no capitalization threshold. Also, no items are tagged and there is no mapping/diagonal process.

**Corrective action planned:** See management item 02-041.

**Finding reference # and title:** 02-042      **Lease-Up Percentages**

**Comment:** The Department of Housing and Urban Development requires housing authorities receiving Section 8 funding to be 85% lease-up or risk losing funding in the future. The Housing Authority's lease-up percentage was 89% for the prior ended June 30, 2002.

**Corrective action taken:** The Housing Authority has reached the 85% lease-up percentage.