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RUSTON INSURING AUTHORITY
Ruston, Louisiana

**REPORT ON EXAMINATION
OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 1993

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

Release Date: 1-28-04

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the Town of Ruston
Ruston, Louisiana 71272

HUD - New Orleans Office
501 Magazine 9th Floor
New Orleans, Louisiana 70130

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Ruston, as of June 30, 2003, and the results of its operations and the cash flows 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 our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying financial information listed as supplementary data in the table of contents and the accompanying Financial Data Schedule is presented for the purpose of additional analysis and is not a required part of the financial statements of the Housing Authority. In addition to this information the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.


Kevin B. McNeil, P.C.
Certified Public Accountants

Stone Mountain, Georgia
December 12, 2003



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ISSUING AUTHORITY OF THE TOWN OF BASTON

Baston, Louisiana

BALANCE SHEET

June 30, 2002

ASSETS

Current Assets

Cash & Investments	\$	625,643
Accounts Receivable		38,413
Prepaid Insurance		34,297
Materials Inventory		<u>38,771</u>
Total Current Assets		<u>737,124</u>

Fixed Assets

Land		36,278
Buildings & Improvements		7,673,681
Furniture & Equipment		383,587
Construction in progress		(7,698,428)
Less Accumulated Depreciation		<u>1,784,338</u>
Total Fixed Assets		<u>1,790,110</u>

TOTAL ASSETS **\$** **1,528,034**

The accompanying notes are an integral part of the financial statements.

LIABILITIES & EQUITY**Current Liabilities**

Accounts payable	\$	16,666
Accrued Expenses		603
Treasurer security deposits		11,821
Accrued Liabilities		7,207
Deferred revenue		<u>1,883</u>
Total Current Liabilities		<u>38,179</u>

Noncurrent Liabilities

Accrued expenses - noncurrent		<u>28,908</u>
Total Noncurrent Liabilities		<u>28,908</u>

TOTAL LIABILITIES 67,087

Equity

Contributed Capital		958,317
Retained Earnings		<u>2,498,177</u>

TOTAL EQUITY 3,456,494

TOTAL LIABILITIES & EQUITY \$ 3,523,581

HOUSING AUTHORITY OF THE TOWN OF RANDON
Randou, Louisiana

STATEMENT OF OPERATIONS AND CHANGE IN EQUITY
For the Year Ended June 30, 2010

Operating Revenue

Rental revenue	\$	668,433
Governmental grants & subsidy		110,600
Other income		15,670
		894,703
Total Operating Revenue		894,703

Operating Expenses

Administration		298,410
Tenant Services		67,898
Utilities		340,871
Ordinary maintenance & operations		401,284
Protective Services		36,789
General expense		111,266
Casualty losses-Non-capitalized		(1,620)
Depreciation		208,488
		1,865,026
Total Operating Expense		1,865,026

NET LOSS FROM OPERATIONS (170,323)

Nonoperating Revenue/Expense(s)

Investment income		1,748
Gain/(loss) on sale of fixed assets		(28)
Governmental grants - capital		678,118
		781,538
Total Nonoperating Revenue/Expense(s)		781,538

NET INCOME 611,215

Prior period adjustments		30,278
Equity - beginning balance		1,693,149
		1,723,427
Equity - ending balance	\$	1,693,204

The accompanying notes are an integral part of the financial statements.

HOUSING AUTHORITY OF THE TOWN OF BOSTON
Boston, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income/(Loss) from operations	\$	(188,262)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Composited elections prior year adjustments		31,260
Depreciation		203,488
Decrease/(Increase) in accounts receivable		244,488
Decrease/(Increase) in prepaid expenses		(7,042)
Increase/(Decrease) in tenant security deposits		(52,973)
Increase/(Decrease) in accounts payable		(75,478)
Increase/(Decrease) in accrued expenses		29,350
Increase/(Decrease) in other accrued liabilities		198,345
Increase/(Decrease) in deferred revenue		2,862
NET CASH PROVIDED FROM OPERATING ACTIVITIES		<u>677,546</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income		3,738
NET CASH PROVIDED FROM INVESTING ACTIVITIES		<u>3,738</u>

CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES

Additions to fixed assets - Capital/BOPE VI Grants		679,119
Governmental grant funds received - Capital/PRIDEP grants		679,119
NET CASH PROVIDED FROM CAPITAL & RELATED FINANCING ACTIVITIES		<u>-</u>

NET INCREASE IN CASH		133,288
CASH AT BEGINNING OF PERIOD		<u>411,341</u>
CASH AT END OF PERIOD	\$	<u>544,629</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Payment of Interest	\$	<u>-</u>
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The accompanying notes are an integral part of the financial statements.

HOUSING AUTHORITY OF THE TOWN OF BOSTON
Boston, Louisiana

NOTES TO FINANCIAL STATEMENTS
2024-25 2024

NOTE A - Summary of Organization, Significant Accounting Policies and Reporting Entity:

Organization - The Housing Authority of the Town of Boston ("The Authority") is a *quasi-governmental entity* which was organized under the laws of the State of Louisiana, as a *ten- exempt, quasi-government entity* under the United States Housing Act of 1937. This Housing Authority was organized for the purpose of providing decent, safe and sanitary housing for low-income families. The PHA entered into *Annual Contributions Contract No. PH-1874* with the Department of Housing and Urban Development for the purpose of financing unit construction and the retirement of debt.

Reporting Entity - In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Sections 2100 and 2600 of GASB's *Classification of Governmental Accounting and Financial Reporting Standards*, include the following:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the majority power of the organization
- the Authority appoints a voting majority
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Based upon the above criteria all the operations of the PHA are included in these financial statements and there are no operations or component units, which have been excluded in this report.

Basis of Accounting:

The accounting policies of the Housing Authority of Town of Boston conforms to generally accepted accounting principles as applicable to governments. Due to conflicting reporting requirements between the State of Connecticut and the US Department of Housing and Urban Development, two separate bases of accounting are presented in this report. The financial statements are presented in accordance with *Generally Accepted Accounting Principles (GAAP)*. In applying the provisions of *Governmental Accounting Standards Board ("GASB") Statement No. 28, "Accounting and Financial Reporting for Proprietary Funds,"* the Authority applies all GASB pronouncements and all *Financial Accounting Standards Board* pronouncements, *Accounting Principles Board Opinions*, and *Accounting Research Bulletins* issued on or before November 30, 1987 which do not conflict with or contradict GASB pronouncements.

The financial statements of the Authority are presented from a *fund perspective*. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts, which include its assets, liabilities, fund equity, revenues and expenses/expenditures. Funds consist of three major categories: *governmental, proprietary and fiduciary*. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following fund:

ISSUING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A - Summary of Organization, Significant Accounting Policies and Reporting Entity (Cont'd):

Proprietary Fund Types - This fund is used to account for the Authority's ongoing activities that are similar to those often found in the private sector. The generally accepted accounting principles here are generally those applicable to similar businesses in the private sector; the accounting measurement focus is on determination of net income, financial position, and cash flows. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a Proprietary Fund's activities are included on its balance sheet. Proprietary Fund equity is aggregated into contributed capital and retained earnings. The following are the Authority's Proprietary Fund Types:

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private businesses where the intent of the governing body is that the costs (revenues, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Authority operates the following programs in the Enterprise Fund:

1. **Low Income Public Housing** - The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income families and the elderly.
2. **Capital Fund Program** - The objective of this program is to improve the physical condition of the Low Income Public Housing units and upgrade the management of the program.

Encumbrances -The Authority does not use encumbrance accounting.

Budgets -The Authority is required by its ILED Annual Contributions Contracts to adopt an annual budget for the Low Rent Housing Program included in the General Fund. Annual budgets are not required for capital projects funds as their budgets are approved for the length of the project. Both annual and project length budgets require greater approval. Appropriations are authorized at the function level. Management may transfer budget authorizations between functions except that increases for administration and capital expenditures categories must be approved by ILED. All appropriations which are not used lapse at year end. Disbursed amounts are as originally adopted or as amended by the Board and approved by ILED.

Other particulars related to balance sheet items include:

1. Cash and Investments:

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Authority. Investments are stated at cost which approximates market.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

NOTE A - Summary of Organization, Significant Accounting Policies and Reporting Entity: (Cont'd)

2. Buildings and Equipment:

Buildings and equipment are carried at historical costs. Depreciated assets are recorded at fair market value at the date of the donation. Depreciation of buildings and equipment is computed using the straight-line method at rates based on useful lives of 3 to 5 years for equipment, 15 years for household improvements and 30 years for buildings.

3. Subsidies:

Operating grants and subsidy are recorded as operating revenue on the Statement of Income and Expense, while grants for capital improvements have been added to Retained Earnings and not shown as operating income.

4. Income Taxes:

The Housing Authority of the Town of Ruston is a Quasi governmental entity. The Authority is not subject to Federal or State income taxes.

5. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

6. Compensation for Future Absences:

It is the policy of the Authority to accumulate earned but unused annual leave benefits which will be paid to employees upon separation from Authority service. A maximum of 30 days or 240 hours of unused leave time may be carried forward annually by each employee. Employees who separate from employment for any reason other than retirement shall forfeit all accrued sick leave.

7. Accounts Receivable:

Collection losses are charged off against an allowance for doubtful accounts. The allowance account is adjusted annual to properly reflect the balance of net accounts receivable due.

NOTE B - Cash and Investments:

1. Cash:

It is the entity's policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at June 30, 2003. The categories are described as follows:

HOUSING AUTHORITY OF THE TOWN OF HUNTON
Hunton, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(Continued)

NOTE B - Cash and Investments (Cont'd)

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Uncollateralized. (This includes bank balances that are collateralized with securities held by the pledging financial institution, or by its trust department or agent but none in the entity's name.)

Cash, Deposits, categorized by level of risk, are:

Total Book Balance	Category		
	1	2	3
\$ 277,750	\$ 277,750	\$ 0	\$ 0

2. Investments

Investing is performed in accordance with FDIC regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the United States pledged by its full faith and credit.
- Obligations of Federal government agencies and government sponsored agencies.
- Deposits, savings, money-market, certificates of deposit, and Super NOW deposits at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC or the National Credit Union Share Insurance Fund (NCUSIF) and any deposits in excess of insured amounts are adequately collateralized.
- Certain municipal depositary funds and local government investment pools provided that all investments made by these funds or pools are on the FDIC-approved list of investment securities. The entity must limit its investments in this category to no more than 20 percent of the entity's available investment funds.
- Repurchase agreements for a term of 30 days or less entered into with Federally insured depositary institutions for purchase and sale of securities identified in 1 and 2 above.
- Certain no-load, open-end mutual funds investing in only FDIC approved investment securities. The entity must limit its investment in this category to no more than 20 percent of the entity's available investment funds.

The entity's investments are categorized to give an indication of the level of risk assumed by the entity as June 30, 2003. The categories are:

Category 1 - Insured or registered, with securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered, with securities held by the counterpart's trust department or agent in the entity's name.

HOUSING AUTHORITY OF THE TOWN OF BOSTON
Boston, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

NOTE B - Cash and Investments: (Over)

Category 3 - Uninsured and Unregistered, with securities held by the counterparty, or its trust department or agent but not in the entity's name

Investments, categorized by level of risk, are:

Types of Investments	Category			Carrying Value	Cost
	1	2	3		
Deposits at Insolvency	\$ 278,100	\$ 0	\$ 0	\$ 278,100	\$ 284,100
Insured Depositories					

NOTE C - Accounts Receivable:

Accounts Receivable and Accrued Liabilities at June 30, 2003, consisted of the following:

Tenant Accounts Receivable (Net of Allowance for Doubtful Accounts)	\$ 41,271
Accounts Receivable - HUD	31,578
Accounts Receivable - Farmerville Housing Authority	10,048
Accrued Interest Receivable	1,623
	\$ 84,520

The combined Balance Sheet does not show interfund accounts receivable and payable of \$20,175.

NOTE D - Accounts Payable and Accrued Liabilities:

Accounts payable and Accrued Liabilities at June 30, 2003, consisted of the following:

Vendors & contractors	\$ 26,606
Accrued compensated absences-current	7,327
Tenant security deposits	31,920
Payroll taxes	622
Payroll costs	1,482
	\$ 68,057

NOTE E - Other Procurrent Liabilities:

Other procurrent liabilities at June 30, 2003, consisted of the following:

Accrued compensated absences - long term	\$ 25,500
Total procurrent liabilities	\$ 25,500

The total liability for compensated absences at the end of the year was \$24,125.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
(JUNE 30, 2000)
(Continued)

NOTE F - Fixed Assets:

The following is a summary of changes in the net fixed assets during the fiscal year ended June 30, 2000:

	<u>Balance at</u> <u>March 31,</u> <u>1999</u>	<u>Additions</u>	<u>Depreciation/</u> <u>Adjustments</u>	<u>Balance at</u> <u>March 31,</u> <u>2000</u>
Land	\$ 36,179	\$ 0	\$ 0	\$ 36,179
Buildings	3,601,844	0	0	3,601,844
Improvements	3,794,090	0	377,863	4,416,227
Equipment	301,401	0	88,905	212,496
Construction in Progress	1,428,801	679,119	(144,622)	1,963,298
Accumulated Depn.	<u>(6,852,418)</u>	<u>0</u>	<u>(1,086,812)</u>	<u>(7,939,230)</u>
	\$ 3,348,803	\$ 679,119	\$ (1,235,439)	\$ 2,792,483

NOTE G - Contributed Capital:

Contributed Capital at June 30, 2000, consisted of the following:

Balance at June 30, 2000	\$ 1,203,118
Correction of prior year balance	(133,939)
Add back depreciation	<u>(1,066,832)</u>
Contributed Capital June 30, 2000	\$ 99,347

NOTE H - Prior Period Adjustments:

The following prior period adjustments were made to restate operating balances:

Working Capital:

Correction of prior year compensated absences - Public Housing **\$ 30,261**

Non-Working Capital:

Correction of fixed assets - Comp. Grant Program **\$ (13,861)**

Correction of prior year income, depn. - Public Housing **(1,530)**

Correction of fixed assets - Capital Fund Program **800**

\$ (13,061)

Total prior period adjustments

\$ 16,400

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

NOTE I - Contingencies

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantees and/or program beneficiaries.

NOTE J - Pension Plan

The Authority participates in the Housing, General and Local Agency Retirement Plan. The plan administrator is William M. Meyer, Inc. The purpose of the Plan is to provide retirement benefits for eligible employees when they reach their normal retirement date. This plan is considered to be a defined contribution plan and as such the contribution percentages are fixed and based upon the employee's earnings. Employees are eligible to participate from the date of employment. The Housing Authority total covered payroll for the year ended June 30, 2003 was \$145,415.

The Employees are required to contribute 6.00% of their annual covered salary and the Housing Authority is required to contribute at a rate of 8.00% of the annual covered payroll. The contribution rates were established by the employee's master agreement. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. Authority contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Authority's current period distributed requirement. The Housing Authority's contribution for the year ended June 30, 2003 was \$12,761.03, and the total pension contribution for the year was \$33,626.62.

NOTE K - Risk Management

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public official's liability forms are used to cover the respective perils. Commercial carriers insure all common perils such as business auto, computer and other miscellaneous policies.

The Authority participates in public entity risk pool (Louisiana Municipal League Risk Management Fund) for General Liability, and Directors and Officers Liability. Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

NOTE M - Economic Dependency

Both the PMA-Covered Housing and the Section 8 Programs are economically dependent on annual contributions/grants from the Federal government. Both programs operate at a loss prior to receiving the contributions and grants. The State programs also rely heavily on grants and subsidies received to supplement their operations.

HOUSING AUTHORITY OF THE TOWN OF RUSCON
Katon, Louisiana

NOTES TO FINANCIAL STATEMENTS

(JUNE 30, 2002)

(Continued)

NOTE 2- Supplementary Information:

The supplementary information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting, but in the format of the HUD Handbook 1093.1, Audit Guide. This is due to the fact that some supplementary information is provided by the field office and provides greater detail concerning the operations of the Housing Authority.

**ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the Town of Ruston
Ruston, Louisiana 71272

IFUD - New Orleans Office
301 Magazine 16th Floor
New Orleans, Louisiana 70130

We have audited the financial statements of the Housing Authority of the Town of Ruston, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 12, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Ruston'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 the financial statements 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 of the Town of Ruston'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the audit committee, Housing Authority of the Town of Ruston, IFUD and federal audit agencies and pass through entities and is not intended to be and should not be used by anyone other than the specified parties.

Rustin & Buffell, P.C.
Rustin & Buffell, P.C.
Certified Public Accountants

Steve Mendenhall, Georgia
December 12, 2003



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**ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Housing Authority of the Town of Kenner
Kenner, Louisiana 70132

PHD - New Orleans Office
301 Magazine 9th Floor
New Orleans, Louisiana 70130

Compliance

We have audited the compliance of the Housing Authority of the Town of Kenner with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2003. The Housing Authority of the Town of Kenner's major federal programs are identified in the schedule of federal awards review of this report. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the Town of Kenner's management. Our responsibility is to express an opinion on the Housing Authority of the Town of Kenner's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the Town of Kenner's compliance with these 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 of the Town of Kenner's compliance with these requirements.

In our opinion, the Housing Authority of the Town of Kenner 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, 2003. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Housing Authority of the Town of Kenner in a separate letter dated December 12, 2003.

Internal Control Over Compliance

The management of the Housing Authority of the Town of Kenner 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 of the Town of Kenner'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 to test and report on internal control over compliance in accordance with OMB Circular A-133.



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The consideration of the internal control over compliance would not necessarily discuss all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and 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.


Peter A. Affolter, P.C.
Certified Public Accountants

Stone Mountain, Georgia
December 12, 2023

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2003, contained three (3) formal audit findings.

Finding No. 2002-01- Recording

The Financial Data Schedule that is due to be submitted to KEAC by August 15 was not submitted until December for fiscal year 2003.

The Authority submitted the Financial Data Schedule within 60 days for fiscal year 2003. This finding is cleared.

Finding No. 2002-02- Supporting Documentation For Account Balances

There is a lack of proper supporting documentation for the interest accrued, inventory, allowance for doubtful accounts, petty cash, and comprehensive grant accounts. The Authority does not have a system of internal control for monitoring the the accountant's work.

The Authority received a monthly general ledger along with a financial data schedule from the the accountant. All accounts were supported by proper documentation and agreed to the general ledger. This finding is cleared.

Finding No. 2002-03- Performance Funding System (PFS)

The Authority received less subsidy than it was entitled to according to the cost roll reported.

A review of the current year Operating Fund supporting documentation revealed all items were properly supported and in compliance with HUD criteria for Operating Fund Budget preparation. The Authority used the correct cost roll and subsequently received the proper amount of Operating Fund subsidy. This finding is cleared.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS**Section I - Summary of Auditor's Results****Financial Statements**

Type of Auditor's report issued:	Unqualified			
Internal Control over financial reporting:				
• Material weakness (w) identified?	__	yes	<u>X</u>	no
• Reportable condition (c) identified that are not considered to be material weaknesses?	__	yes	<u>X</u>	no
Non-compliance material to financial statements noted?	__	yes	<u>X</u>	no

Federal Awards

Internal Control over major programs:				
• Material weakness (w) identified?	__	yes	<u>X</u>	no
• Reportable condition (c) identified that are not considered to be material weaknesses?	__	yes	<u>X</u>	no

Type of Auditor's report issued on compliance for major programs:	Unqualified			
Any audit findings disclosed that are required to be reported in accordance with section (c) of Circular A-133	__	yes	<u>X</u>	no

Identification of major programs:	
▷ Low-Income Public Housing Program	CFDA #14.850
▷ Capital Fund Program	CFDA #14.872

Dollar threshold used to distinguish between type A and type B programs:	\$100,000
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Auditor qualifies as a firm state auditor? No

SUPPLEMENTARY INFORMATION
GAAP BASIS

BOARDING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
BALANCE SHEET ACCOUNTS
JUNE 30, 2002

Account Description	Low-Paid 14.85	FICOP 14.85	Comp/Cont 14.85	Capital Fund 14.85	TOTAL
ASSETS					
CURRENT ASSETS					
Cash					
Cash—restricted	\$ 221,763	0	0	0	\$ 221,763
Cash—unrestricted	0	0	0	0	0
Total Cash	<u>221,763</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>221,763</u>
Accounts and notes receivable:					
Accounts receivable—(EIS) other projects	0	4,546	0	17,600	22,146
Accounts receivable—Other government	10,648	0	0	0	10,648
Accounts receivable—residents—pending work	6,028	0	0	0	6,028
allowance for doubtful accounts	(2,989)	0	0	0	(2,989)
Accounts interest receivable	1,629	0	0	0	1,629
Total receivables, net of allowance for doubtful	<u>13,216</u>	<u>4,546</u>	<u>0</u>	<u>17,600</u>	<u>35,362</u>
Current Investments					
Investments—operational	295,688	0	0	0	295,688
Prepaid expenses and other assets	24,807	0	0	0	24,807
Inventory—materials	48,271	0	0	0	48,271
Allowance for doubtful investments	(2,569)	0	0	0	(2,569)
Intergovernmental loans	28,478	0	0	0	28,478
TOTAL CURRENT ASSETS	<u>719,493</u>	<u>4,546</u>	<u>0</u>	<u>17,600</u>	<u>741,639</u>
NONCURRENT ASSETS					
Fixed Assets					
Land	36,279	0	0	0	36,279
Buildings	2,611,846	0	0	0	2,611,846
Furniture, equipment & mach.—buildings	143,127	0	0	0	143,127
Furniture, equipment & mach.—other	285,190	0	0	0	285,190
Leasehold improvements	4,673,230	0	0	0	4,673,230
Accumulated depreciation	(2,298,429)	0	0	0	(2,298,429)
Construction in progress	0	0	264,029	1,489,721	1,753,750
Total fixed assets, net of accumulated depreciation	<u>1,599,243</u>	<u>0</u>	<u>264,029</u>	<u>1,489,721</u>	<u>3,352,993</u>
TOTAL ASSETS	<u>\$ 1,418,696</u>	<u>\$446</u>	<u>\$264,029</u>	<u>\$1,489,721</u>	<u>\$ 3,173,892</u>

HOUSING AUTHORITY OF THE TOWN OF BOSTON
River, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
BALANCE SHEET ACCOUNTS
JUNE 30, 2000

Account Description	Lease Fee	PROF	Comp/Cont	Capital/Res	TOTAL
LIABILITIES AND EQUITY:	14,000	14,000	14,000	14,000	TOTAL
LIABILITIES:					
CURRENT LIABILITIES:					
Accounts payable - 90 days	\$ 24,000	0	0	0	24,000
Annual unpaid/overl term payable	400	0	0	0	400
Annual compensated absence - current period	7,127	0	0	0	7,127
Treas security deposits	21,600	0	0	0	21,600
Deferred income	2,600	0	0	0	2,600
Intergovt (Bonds)	0	6,600	0	17,800	24,400
TOTAL CURRENT LIABILITIES	56,727	6,600	0	17,800	81,127
NONCURRENT LIABILITIES:					
Annual Compensated Absence - Non Current	24,000	0	0	0	24,000
TOTAL NONCURRENT LIABILITIES	24,000	0	0	0	24,000
TOTAL LIABILITIES	80,727	6,600	0	17,800	105,127
EQUITY:					
Contributed Capital					
Net RMBF PBA Contributions	89,527	0	0	0	89,527
Total Contributed Capital	89,527	0	0	0	89,527
Unallocated and Unappropriated earnings	16,600		16,600	1,600,000	1,633,200
TOTAL EQUITY	106,127	0	16,600	1,601,600	1,724,327
TOTAL LIABILITIES AND EQUITY	\$ 1,706,854	4,000	16,600	1,603,200	\$ 3,330,654

HOUSING AUTHORITY OF THE TOWN OF HUDSON
Finney, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
INCOME STATEMENT ACCOUNTS
(JUNE 30, 2001)

Account Description	Levee/Rest 11,000	FDSP 10,000	Comp/Cont 14,000	Capital Fund 14,870	TOTAL
REVENUES					
Net interest rental revenue	\$ 11,000	0	0	0	11,000
Transmittals - other	11,000	0	0	0	22,000
Total interest revenue	22,000	0	0	0	22,000
SLB PMA grants	111,100	7,000	200	47,400	165,700
SLB Capital grants	0	0	11,200	47,000	58,200
Investment income - restricted	1,700	0	0	0	1,700
Other revenues	6,100	0	0	0	6,100
Over/Under on Total of Fiscal Year	100	0	0	0	100
TOTAL REVENUES	\$ 149,900	7,000	11,400	94,400	262,700
EXPENSES					
Administrative					
Administrative salaries	\$ 80,100	0	0	10,000	90,100
Auditing fees	4,000	0	0	0	4,000
Compressed salaries	1,000	0	0	0	1,000
Employee benefit contributions - administrative	10,000	0	0	1,000	11,000
Other operating - administrative	48,500	0	200	20,000	68,700
Total Administrative Expense	143,600	0	200	31,000	174,800
Resident Services					
Resident Salaries	14,000	0	0	0	14,000
Relocation Costs	0	0	0	0	0
Resident services-other	4,000	14,000	0	0	18,000
Employee benefit contributions - resident services	8,000	0	0	0	8,000
Total Resident services expense	26,000	14,000	0	0	40,000
Utilities					
Water	10,000	0	0	0	10,000
Electricity	27,000	0	0	0	27,000
Gas	1,000	0	0	0	1,000
Other utilities expense	4,000	0	0	0	4,000
Total Utilities Expense	42,000	0	0	0	42,000
Ordinary Maintenance & Operation					
Ordinary maint. and op. - other	170,000	0	0	0	170,000
Ordinary maint. and op. - materials & other	67,000	0	0	0	67,000
Ordinary maint. and op. - contract work	14,000	0	0	0	14,000
Ordinary maint. and op. - benefits	21,000	0	0	0	21,000
Total Ordinary Maintenance & Operation	272,000	0	0	0	272,000

BOARDING ACTIVITY OF THE TOWN OF BASTON
Bastion, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
INCOME STATEMENT ACCOUNTS
JUNE 30, 2000

Account Description	Law/Rest (0000)	FD/CFP (0000)	Comp/Cont (0000)	Capital Fund (0000)	TOTAL
Provision services					
Executive services - Misc	0	0	0	0	0
Executive services - other contract work	0	26,789	0	0	26,789
Executive services - other	0	0	0	0	0
Employee benefit contributions - protective services	0	0	0	0	0
Total Provision Services	<u>0</u>	<u>26,789</u>	<u>0</u>	<u>0</u>	<u>26,789</u>
General Expenses					
Insurance premiums	64,230	0	0	0	64,230
Other general expenses	0	0	0	0	0
Payments in lieu of taxes	0	0	0	0	0
Fuel oils - motor vehicles	26,881	0	0	0	26,881
Total General Expenses	<u>91,111</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>91,111</u>
TOTAL OPERATING REVENUE	<u>122,187</u>	<u>71,680</u>	<u>24</u>	<u>47,564</u>	<u>1,041,411</u>
EXCESS OPERATING REVENUE OVER OPERATING EXPENSE	<u>31,076</u>	<u>0</u>	<u>24</u>	<u>47,564</u>	<u>75,664</u>
Other Revenues					
Casualty losses (non-capitalized)	(2,478)	0	0	0	(2,478)
Regulatory expenses	28,480	0	0	0	28,480
Total Other Revenues	<u>26,002</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,002</u>
TOTAL REVENUE	<u>148,189</u>	<u>71,680</u>	<u>24</u>	<u>47,564</u>	<u>1,067,413</u>
Other Financing Sources (Uses)					
Operating transfers in	0	0	0	0	0
Operating transfers out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUE OVER EXPENSES	<u>148,189</u>	<u>71,680</u>	<u>24</u>	<u>47,564</u>	<u>1,067,413</u>
Ending Equity					
Equity transfers	204,000	0	(204,000)	0	0
Prior period adjustments	65,481	0	(21,000)	400	44,881
Beginning Equity	1,466,044	0	677,070	771,430	2,904,544
Ending Equity	<u>1,735,521</u>	<u>0</u>	<u>452,070</u>	<u>1,242,830</u>	<u>3,430,421</u>
Add back depreciation	179,833	0	0	0	179,833
Less: assets available	3,600	0	0	0	3,600
Less: assets leased	3,247	0	0	0	3,247

HOUSING AUTHORITY OF THE TOWN OF BOSTON
Roxas, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
For the Year Ended June 30, 1982

	<u>Type</u>	<u>Federal CFDA #</u>		<u>Expenditures</u>
<u>FEDERAL GRANTS</u>				
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:</u>				
Public Housing				
Operating subsidy	A - Major	14.850	5	178,896
Drug Elimination Program	B - Minor	14.854		79,883
Comprehensive Grant Program	B - Minor	14.859		12,433
Capital Fund Program	A - Major	14.872		<u>315,284</u>
TOTAL FEDERAL FINANCIAL AWARDS			5	<u>576,496</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the Town of Ruston and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Standards of State, Local Government, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - SUBSIDIARIES:

The Housing Authority of the Town of Ruston provided no federal awards to subsidiaries during the fiscal year ending June 30, 2003.

NOTE C - DISCLOSURE OF OTHER FORMS OF ASSISTANCE:

- The Housing Authority of the Town of Ruston received no federal awards of non-monetary assistance that are required to be disclosed for the year ended June 30, 2003.
- The Housing Authority of the Town of Ruston had no loans, loan guarantees, or federally restricted encumbrance funds required to be disclosed for the fiscal year ended June 30, 2003.
- The Housing Authority of the Town of Ruston maintains the following limits of insurance as of June 30, 2003:

Property	\$ 11,704,000
Liability	\$ 1,800,000
Commercial Auto	\$ 300,000
Commercial Auto Liability	\$ 300,000
Workers Compensation	Repetitive
Public Officials Liability	\$ 1,000,000
Fidelity Bond	\$ 45,000

December 12, 2000

Housing Authority of the Town of Ranton
To the Board of Commissioners

RECEIVED
TOWN OF RANTON
DEC 12 2000

We have audited the financial statements of Housing Authority of the Town of Ranton for the year ended June 30, 2000, and have issued our report thereon dated December 12, 2000. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As a part of our audit, we considered the internal control structure of Housing Authority of the Town of Ranton. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. We noted no transactions entered into by the Housing Authority during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not accepted by the Housing Authority that could potentially cause those financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the overall financial statements.

We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Housing Authority's financial reporting process.



CLERK-PUBLIC
ACCOUNTANTS
100 NEW HAVEN
SUITE 4
HARTFORD, CONNECTICUT
06103-3600
TEL: (860) 525-9000

Disagreements with Management

For the purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing the audit.

Additional Comments and Observations

Our audit of the financial records of the Housing Authority of the Town of Easton revealed some deficiencies that did not rise to the level of a reportable condition but do need to be addressed in an Management Comments. These are the following comments.

1. No Signature of Board Minutes

The Authority did not have the board minutes properly signed off by the Secretary of the Board after the minutes were approved. The Secretary of the Board should sign the board minutes after the minutes are approved. This will give final certification of the minutes.

2. Lack of Proper Documentation for Contract Compliance

The Authority did not obtain Davis-Bacon certified payrolls and employee interviews for the A-1 Heating, Cooling, & Electrical contract. The Authority has requested the certified payrolls but the contractor has yet to provide the payrolls as of the audit fieldwork date. The Authority should request the documentation prior to any further payments to the contractor and complete employee interviews as soon as possible. The Authority should inform all potential contractors of the Davis-Bacon Law requirements and for contractors that do not comply with the provisions of the law, the contractor should not be paid until such information is provided to the Authority.

3. Lack of Proper Cancellation of Invoices

The Authority does not cancel the invoice after the payment for the invoice is processed. We recommend that the Authority stamp each invoice "Paid" and date and sign the invoice so there can be no confusion as to which invoices have been paid and reduce the amount of duplicate payment that could be made. There is no implication that any invoice has been paid twice but this can improve the internal controls over cash disbursement for the Authority.

4. Outdated Investment and Capitalization Policy

The Authority should review their current Investment Policy and update the policy in compliance with HUD Notice 2003-04. The Authority should also review the language in the notice on investment plans and adopt a policy that improves the investment income of the Authority. The Authority should also review their current roster of banking institutions and consider putting a request for proposal, RFP, for banking services. The Authority may be able to gain additional banking services and provide additional investment income for the Authority.

The Authority should update their Capitalization policy to increase the dollar threshold for fixed assets. Currently the Authority capitalizes all equipment and fixed asset purchases in excess of \$500

and a useful life of over one (1) year. We recommend that the Authority change the threshold between \$1,500 - \$2,800 and a useful life of more than one (1) year.

This information is intended solely for the use of the Audit Committee, the Finance Committee, the Board of Commissioners, and management of Housing Authority of the Town of Plover and should not be used for any other purpose.

Very truly yours,

Rector & Moffitt, P.C.

RECTOR & MOFFITT, P.C.
Certified Public Accountants