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**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**

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 08-02-00

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 1999**

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MICHAEL B. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of Rapides Parish
Boyce, Louisiana

We have audited the accompanying financial statements of the **Housing Authority of Rapides Parish (HARP)**, as of and for the year ended December 31, 1999, as listed in the Table of Contents. These financial statements are the responsibility of **HARP's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

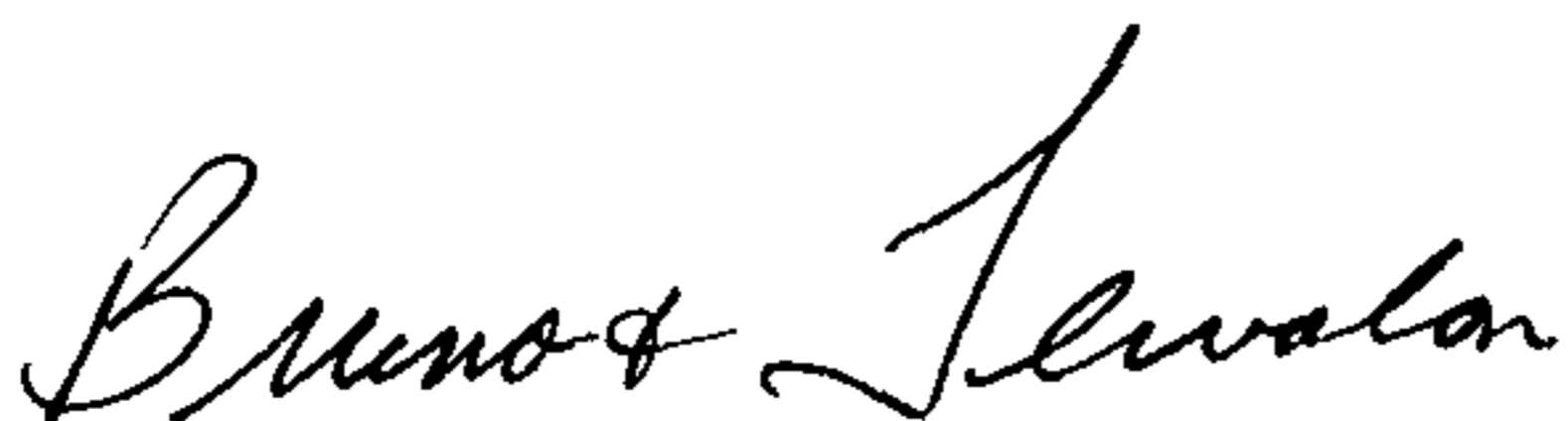
We were unable to apply audit procedures necessary to satisfy ourselves about the classifications and amounts comprising land, structures and equipment as of December 31, 1999 including classifications and amounts that may materially effect the determination of the results of operations and cash flows for the year ended December 31, 1999.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Commissioners
Housing Authority Rapides Parish
Boyce, Louisiana
Page 2

In our opinion, except for the effects of adjustments, if any, had we been able to resolve the classifications and amounts of land, structures and equipment, the financial statements referred to above present fairly, in all material respects, the financial position of **HARP**, as of December 31, 1999, and the results of its operations and the cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2000 on our consideration of the **HARP's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 9, 2000

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
BALANCE SHEET--ENTERPRISE FUND
DECEMBER 31, 1999

ASSETS

Cash and temporary cash investments (NOTE 2)	\$ 185,772
Amounts receivable, net of allowance for doubtful accounts of \$1,933	5,621
Prepaid and other assets	55,416
Advances	150
Accrued interest receivable	15
Due from other funds (NOTE 10)	39,138
Land, structures and equipment, net (NOTES 3 AND 11)	<u>4,146,093</u>
 Total assets	 <u>\$4,432,205</u>

LIABILITIES AND EQUITY

Liabilities:

Amounts and other payable (NOTE 4)	\$ 22,840
Compensated absences payable	16,560
Security deposits held for tenants	12,277
Due to other funds (NOTE 10)	39,138
Other	<u>33,899</u>

Total liabilities 124,714

Equity:

Contributed capital (NOTE 5) 9,568,604

Retained deficit:

Unreserved retained deficit (5,261,113)

Total equity 4,307,491

Total liabilities and equity \$ 4,432,205

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

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED DEFICIT--ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

Operating Revenues:	
Dwelling rental	\$ 152,392
Other income	<u>2,703</u>
Total operating revenues	<u>155,095</u>
Operating Expenses:	
Salaries and employee benefits	249,926
Repairs and maintenance	38,114
Contractual services	39,115
Utilities	55,868
Garbage and trash removal	20,463
Depreciation	404,433
Insurance	39,633
Housing assistance payments	302,750
Convention and travel	35,526
General	<u>33,390</u>
Total operating expenses	<u>1,219,218</u>
Operating loss	<u>(1,064,123)</u>
Non-operating Revenue:	
Grants and subsidies	565,434
Interest income	7,978
Proceeds from insurance claim, net	1,328
Other	<u>23,277</u>
Total non-operating revenue	<u>598,017</u>
Net loss	<u>(466,106)</u>
Retained earnings, beginning of year	-0-
Adjustment, net to beginning retained earnings (NOTE 12)	<u>(4,795,007)</u>
Beginning retained earnings, as restated	<u>(4,795,007)</u>
Retained deficit, end of year	<u><u>\$(5,261,113)</u></u>

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

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
STATEMENT OF CASH FLOWS--ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

Operating loss	\$(1,064,123)
Adjustments to reconcile net income (loss) to net cash provided by (used) in operating activities	
Depreciation	404,433
Bad debt	3,842
Proceeds from casualty loss, net	(1,328)
Increase in amounts and other receivables	(2,443)
Increase in prepaid and other assets	(46,488)
Increase in advances	(150)
Increase in accrued interest receivable	(15)
Increase in interfund receivables	(5,322)
Increase in amounts and other payables	9,581
Increase in compensated absences payables	16,560
Increase in security deposits held for tenants	1,245
Increase in interfund payables	5,322
Decrease in deferred revenue	(29,849)
Increase in other	<u>18,966</u>
Net cash used in operating activities	<u>(689,769)</u>
Cash Flows from Investing Activities:	
<i>Interest received</i>	<u>7,978</u>
Cash provided from investing activities	<u>7,978</u>
Cash Flows from Noncapital Financing Activities:	
Subsidies from Federal and City grants and other	<u>588,711</u>
Cash provided from noncapital financing activities	<u>588,711</u>
Cash Flows from Capital Financing Activities:	
Acquisition of fixed assets	442,045
Contributed capital	(442,045)
Proceeds from claims, net	<u>1,328</u>
Net cash provided by capital financing activities	<u>1,328</u>
Net decrease in cash and temporary cash investments	(91,752)
Cash and temporary cash investments, beginning of year	<u>277,524</u>
Cash and temporary cash investments, end of year	<u>\$ 185,772</u>
Interest paid during 1999	<u>\$ -0-</u>

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

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Background and General Data:

Background

The **Housing Authority of Rapides Parish (HARP)** is a public corporation, legally separate and fiscally independent and governed by a Board of Commissioners. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs. **HARP** has been contracted by HUD to administer Low-Income and Section 8 Housing Programs (FW-2021) and (FW-2116), respectively under Annual Contributions Contracts.

As of December 31, 1999, **HARP** was primarily engaged in the administration of Low-Income and Section 8 Housing Programs to Low-Income residents in Boyce, Louisiana.

Under the Low-Income program, **HARP** provides eligible families housing under leasing arrangements. For the Section 8 Program, **HARP** provides funds in the form of rental subsidies to owners on behalf of the tenants.

Financial Reporting Entity

HARP has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and the City of Boyce.

Government Accounting Standards Board (GASB) Statement No. 14, "Financial Reporting Entity" established standards for defining and reporting on the financial entity. GASB 14 indicates that the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special-purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued

Financial Reporting Entity, Continued

HARP was established as a separate, legal entity with a governing board which is separate and independent of any other governmental "reporting entity" as defined by GASB 14. Accordingly, management has concluded that **HARP** is a financial reporting entity within the meaning of the provisions of GASB 14.

Basis of Presentation

As required by Louisiana State Reporting Law (LRS-R-S 24:514) and the HUD regulations financial statements are presented in accordance with generally accepted accounting principles (GAAP).

The accounts of **HARP** are accounted for under the proprietary fund. Accordingly, the accompanying financial statements have been prepared in conformity with generally accepted accounting principles applied to governmental units.

Proprietary Fund Type - Proprietary fund is accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. **HARP** applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. **HARP's** fund include the following type:

Enterprise Fund - Enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued

Budgets

HARP prepares an annual budget for its proprietary fund. Prior to the beginning of the calendar year January 1, the annual budget is approved by the Board of Commissioners. Budgetary amendments require approval by the Board.

HARP does not present its budget to actual comparison for the enterprise fund as part of its financial statement as GAAP does not require such, despite adoption of annual budget by the Board.

Statement of Cash flows

For purposes of the statement of cash flows, **HARP** considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash and temporary cash investments.

Land, Structures and Equipment

Land, structures and equipment are recorded at cost. Donated assets are valued at estimated fair value on the date donated. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized in the enterprise fund.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued

Structures and equipment are depreciated in the enterprise fund of **HARP** using the following estimated useful life.

<u>Assets</u>	<u>Estimated Useful Lives</u>
Land improvements	15
Building	33
Building improvements	15
Equipment	3-7

Compensated Absences

HARP follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under those regulations, employees may accumulate up to three hundred (300) hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges computed in accordance with GASB Codification Section C60, is recognized as a current-year expense in the enterprise fund when leave is earned.

Total Memorandum Only

The total column on the accompanying combining financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this date.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Cash and Temporary Cash Investments:

At December 31, 1999, **HARP's** cash balances and securities consisting of certificates of deposit are as follows:

<u>Description</u>	<u>Carrying Value</u>	<u>Market Value</u>
Cash	\$102,399	\$102,399
Certificates of deposit	<u>83,373</u>	<u>83,373</u>
	<u>\$185,772</u>	<u>\$185,772</u>

Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. These securities are held by the fiscal agent bank in the name of **HARP**.

At December 31, 1999, the carrying amount of **HARP's** cash deposits was \$102,399 and the cumulative bank balance was \$116,246. The bank balances are covered by federal depository insurance and collateral held by the pledging institutions' agent in **HARP's** name.

Cash and temporary cash investments are categorized as Category 1.

Category 1 represents cash insured or collateralized with securities held by the pledging financial institution's trust department or agent in **HARP's** name.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Land, Structures and Equipment:

As of December 31, 1999, land, structures and equipment consisted of the following:

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Retirement</u>	<u>Net Adjustments</u>	<u>Balance December 31, 1999</u>
Land and land improvements	\$ 19,678	\$ -0-	\$-0-	\$ 229,598	\$ 249,276
Buildings and building improvements	4,300,936	395,895	-0-	4,363,780	9,060,611
Equipment	<u>150,413</u>	<u>46,150</u>	<u>-0-</u>	<u>109,300</u>	<u>305,863</u>
	<u>\$4,471,027</u>	<u>\$442,045</u>	<u>\$-0-</u>	<u>\$4,702,678</u>	9,615,750
Less accumulated depreciation					<u>(5,469,657)</u>
Total					<u>\$ 4,146,093</u>

The amount reflected as net adjustments represent adjustments to properly state land, structures and equipment at December 31, 1999.

NOTE 4 - Amounts and Other Payable:

At December 31, 1999 amounts and other payable consisted of the following:

Vendors payable	\$20,200
Payroll taxes and benefits withheld and/or accrued	<u>2,640</u>
	<u>\$22,840</u>

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 5 - Contributed Capital:

At December 31, 1999, contributed capital consisted primarily of reclassification of HUD guaranteed debt previously recorded on the books of **HARP**, payable by HUD and secured by annual contributions. The debt does not constitute an obligation of **HARP** and accordingly has not been reported in the accompanying financial statements. Contributed capital also includes the net of accumulated expenses, grants and subsidies of **HARP**. An analysis of contributed capital follows:

<u>Balance</u> <u>January 1, 1999</u>	<u>Net</u> <u>Additions</u>	<u>Balance</u> <u>December 31, 1999</u>
\$-0-	<u>\$9,568,604</u>	<u>\$9,568,604</u>

NOTE 6 - Retirement System:

Plan Description

HARP participates in a single employer defined contribution plan. The Housing Authority of Rapides Parish Retirement Plan (the Plan) is authorized and may be amended by the Board of Commissioners.

Plan Funding

Funding for the system is through a contribution of 13% and 7.5% by **HARP** and its employees, respectively. The contribution amount is based on the employees base salary each month.

HARP's gross payroll for the year ended December 31, 1999 was \$190,929. **HARP** and employee contributions made using base salary amounted to \$14,623 and \$8,880, respectively.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - Risk Management:

HARP is exposed to various risks of loss related to torts, theft, damage to and destruction of assets for which **HARP** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 8 - Concentration of Credit Risk:

HARP receives primarily all of its revenues from dwelling rental and the Department of Housing and Urban Development (HUD). If the amount of revenues received from both dwelling rental and HUD, falls below contract levels, **HARP's** operating results could be adversely affected.

NOTE 9 - Contingencies:

HARP is subject to possible examinations by regulatory agencies who determine compliance with laws and regulations governing grants provided to the **HARP**. These examinations may result in required refunds by **HARP** to the agencies and/or program beneficiaries.

NOTE 10 - Due To/From Other Funds:

At December 31, 1999 interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other funds</u>
PHA owned Housing assistance	\$39,138	\$ -0-
Certificate of program	<u>-0-</u>	<u>39,138</u>
Total	<u>\$39,138</u>	<u>\$39,138</u>

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - Actual Modernization Cost Certificate:

During the year ended December 31, 1999, **HARP** submitted to HUD an Actual Modernization Cost Certificate for LA48P129907-97.

Funds approved, advanced and expended, amounted to \$400,000. The distribution of cost for the project as submitted to HUD agreed to **HARP's** records at December 31, 1999. Also, all costs and related liability have been paid.

NOTE 12 - Adjustments to Retained Earnings:

Adjustments to beginning retained earnings are primarily due to the recordation of accumulated depreciation of \$5,065,224, compensated absences of \$16,560, net of cumulative earnings of \$286,777.

SUPPLEMENTARY INFORMATION

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MICHAEL B. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners
Housing Authority of Rapides Parish
Boyce, Louisiana

Our report on our audit of the financial statements of the **Housing Authority of Rapides Parish (HARP)** appears on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

Our report was qualified because we were unable to resolve the classifications and amounts of land, structures and equipment.

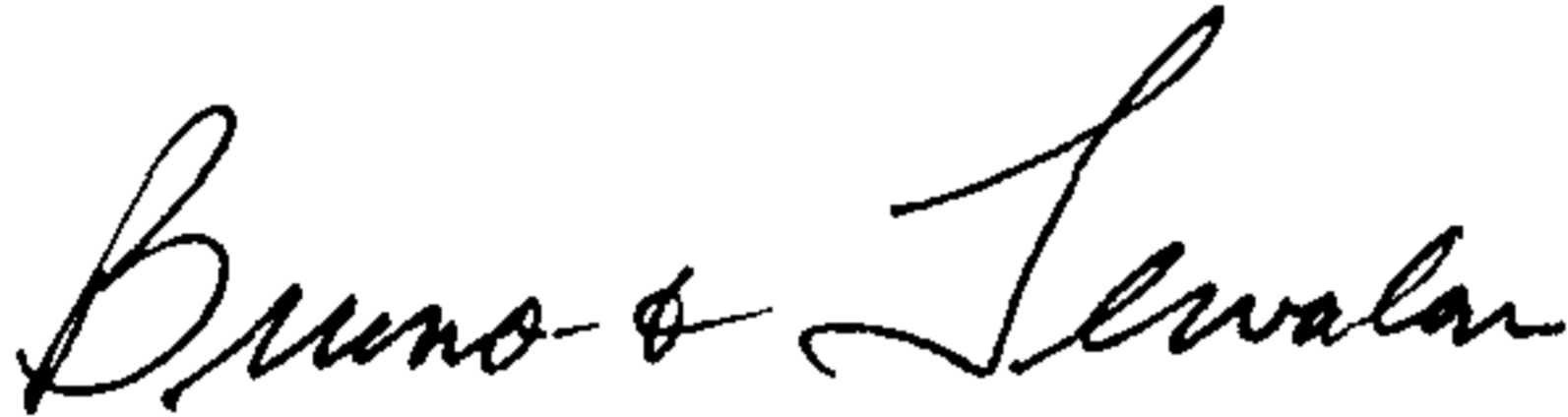
The accompanying Schedule of Expenditures of Federal Awards (Schedule I) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The supplementary information (Schedules II and III) which are prepared in accordance with generally accepted accounting principles, and is not a required part of the financial statements has been subjected to 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.

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

(CONTINUED)

Also, the supplementary information (Exhibits I and II), which are prepared in accordance with generally accepted accounting principles, has been subjected to the 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.



**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

June 9, 2000

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
COMBINING BALANCE SHEET--ENTERPRISE FUND
DECEMBER 31, 1999

	<u>PHA Owned Program FW-2021</u>	<u>Housing Assistance Certificate Program FW-2116</u>	<u>Totals (Memorandum Only)</u>
<u>ASSETS</u>			
Cash and temporary cash investments	\$ 128,308	\$ 57,464	\$ 185,772
Amounts receivable, net	3,866	1,755	5,621
Prepaid and other assets	55,416	-0-	55,416
Advances	150	-0-	150
Accrued interest receivable	15	-0-	15
Due from other funds	39,138	-0-	39,138
Land, structures and equipment, net	<u>4,146,093</u>	<u>-0-</u>	<u>4,146,093</u>
Total assets	<u>\$4,372,986</u>	<u>\$59,219</u>	<u>\$4,432,205</u>
<u>LIABILITIES AND EQUITY</u>			
Liabilities:			
Amounts and other payable	\$ 22,840	\$ -0-	\$ 22,840
Compensated absences payable	14,646	1,914	16,560
Security deposits held for tenants	12,277	-0-	12,277
Due to other funds	-0-	39,138	39,138
Other	<u>-0-</u>	<u>33,899</u>	<u>33,899</u>
Total liabilities	<u>49,763</u>	<u>74,951</u>	<u>124,714</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
COMBINING BALANCE SHEET--ENTERPRISE FUND, CONTINUED
DECEMBER 31, 1999**

	<u>PHA Owned Program FW-2021</u>	<u>Housing Assistance Certificate Program FW-2116</u>	<u>Totals (Memorandum Only)</u>
Equity:			
Contributed capital	\$ 9,568,604	\$ -0-	\$ 9,568,604
Retained deficit:			
Unreserved retained deficit	<u>(5,245,381)</u>	<u>(15,732)</u>	<u>(5,261,113)</u>
Total equity	<u>4,323,223</u>	<u>(15,732)</u>	<u>4,307,491</u>
Total liabilities and equity	<u>\$ 4,372,986</u>	<u>\$ 59,219</u>	<u>\$ 4,432,205</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED DEFICIT--ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	PHA Owned Program FW-2021	Housing Assistance Certificate Program FW-2116	Totals (Memorandum Only)
Operating Revenues:			
Dwelling rental	\$ 152,392	\$ -0-	\$ 152,392
Other income	<u>2,703</u>	<u>-0-</u>	<u>2,703</u>
Total operating revenues	<u>155,095</u>	<u>-0-</u>	<u>155,095</u>
Operating Expenses:			
Salaries and employee benefits	216,611	33,315	249,926
Repairs and maintenance	38,114	-0-	38,114
Contractual services	37,420	1,695	39,115
Utilities	55,868	-0-	55,868
Garbage and trash removal	20,463	-0-	20,463
Depreciation	404,433	-0-	404,433
Insurance	38,915	718	39,633
Housing assistance payments	-0-	302,750	302,750
Convention and travel	35,266	260	35,526
General	<u>28,292</u>	<u>5,098</u>	<u>33,390</u>
Total operating expenses	<u>875,382</u>	<u>343,836</u>	<u>1,219,218</u>
Operating loss	<u>(720,287)</u>	<u>(343,836)</u>	<u>(1,064,123)</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED DEFICIT--ENTERPRISE FUND, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

	PHA Owned Program <u>FW-2021</u>	Housing Assistance Certificate Program <u>FW-2116</u>	Totals (<u>Memorandum Only</u>)
Non-operating Income:			
Grants and subsidies	\$ 226,487	\$ 338,947	\$ 565,434
Interest income	6,143	1,835	7,978
Proceeds from insurance claim, net	1,328	-0-	1,328
Other	<u>23,277</u>	<u>-0-</u>	<u>23,277</u>
Total non-operating income	<u>257,235</u>	<u>340,782</u>	<u>598,017</u>
Net loss	(463,052)	(3,054)	(466,106)
Retained earnings, beginning of year	-0-	-0-	-0-
Adjustments, net to beginning retained earnings	<u>(4,782,329)</u>	<u>(12,678)</u>	<u>(4,795,007)</u>
Beginning retained earnings, as restated	<u>(4,782,329)</u>	<u>(12,678)</u>	<u>(4,795,007)</u>
Retained deficit, end of year	<u>\$(5,245,381)</u>	<u>\$(15,732)</u>	<u>\$(5,261,113)</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE I

HOUSING AUTHORITY OF THE RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Grant Revenue</u>	<u>Federal and Authorized Expenses</u>
Program funded by the U.S. Department of Housing and Urban Development (HUD):				
<u>Subject to Annual Contributions Contracts</u>				
Public and Indian Housing Operating Subsidy	14.850	FW-2021	\$226,487	\$226,487
Public and Indian Housing Comprehensive Improvement Assistance Program	14.852	FW-2021	395,933	395,933
Section 8 Rental Certificate Program	14.857	FW-2116	<u>338,947</u>	<u>343,836</u>
Total			<u>\$961,367</u>	<u>\$966,256</u>

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the HARP and is presented on an accrual basis of accounting. The information on the Schedules is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET
DECEMBER 31, 1999

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM</u>	<u>SECTION 8 RENTAL CERTIFICATE PROGRAM</u>	<u>(TOTALS MEMORANDUM ONLY)</u>
111	Cash - unrestricted	\$ 116,031	\$ -0-	\$57,464	\$ 173,495
114	Cash - tenant security deposits	<u>12,277</u>	<u>-0-</u>	<u>-0-</u>	<u>12,277</u>
100	Total cash	<u>128,308</u>	<u>-0-</u>	<u>57,464</u>	<u>185,772</u>
122	Accounts receivable - HUD other projects	-0-	-0-	1,755	1,755
124	Accounts receivable - other government	150	-0-	-0-	150
125	Accounts receivable - miscellaneous	44,454	-0-	-0-	44,454
126	Accounts receivable - tenants dwelling rents	5,799	-0-	-0-	5,799
126.1	Allowance for doubtful accounts-dwelling rents	(1,933)	-0-	-0-	(1,933)
126.2	Allowance for doubtful accounts-other	-0-	-0-	-0-	-0-
129	Accrued interest receivable	<u>15</u>	<u>-0-</u>	<u>-0-</u>	<u>15</u>
120	Total receivables, net of allowances for doubtful accounts	<u>48,485</u>	<u>-0-</u>	<u>1,755</u>	<u>50,240</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET. CONTINUED
DECEMBER 31, 1999

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM</u>	<u>SECTION 8 RENTAL CERTIFICATE PROGRAM</u>	<u>(TOTALS MEMORANDUM ONLY)</u>
142	Prepaid expenses and other assets	\$ 8,316	\$ -0-	\$ -0-	\$ 8,316
143	Inventories	2,646	-0-	-0-	2,646
144	Interprogram due from	<u>39,138</u>	<u>-0-</u>	<u>-0-</u>	<u>39,138</u>
150	Total current assets	<u>226,893</u>	<u>-0-</u>	<u>59,219</u>	<u>286,112</u>
161	Land	6,645	-0-	-0-	6,645
162	Buildings	8,664,266	396,345	-0-	9,060,611
163	Furniture, equipment & machinery- dwellings	148,187	-0-	-0-	148,187
164	Furniture, equipment & machinery- administration	157,676	-0-	-0-	157,676
165	Leasehold improvements	242,632	-0-	-0-	242,632
166	Accumulated depreciation	<u>(5,460,059)</u>	<u>(9,599)</u>	<u>-0-</u>	<u>(5,469,658)</u>
160	Total fixed assets, net of accumulated depreciation	<u>3,759,347</u>	<u>386,746</u>	<u>-0-</u>	<u>4,146,093</u>
180	Total non-current assets	<u>3,759,347</u>	<u>386,746</u>	<u>-0-</u>	<u>4,146,093</u>
190	Total assets	<u>\$ 3,986,240</u>	<u>\$ 386,746</u>	<u>\$59,219</u>	<u>\$ 4,432,205</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED
DECEMBER 31, 1999

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM</u>	<u>SECTION 8 RENTAL CERTIFICATE PROGRAM</u>	<u>(TOTALS MEMORANDUM ONLY)</u>
312	Accounts payable ≤90 days	\$ 20,200	\$ -0-	\$33,899	\$ 54,099
321	Accrued wage/payroll taxes payable	2,640	-0-	-0-	2,640
322	Accrued compensated absences	14,646	-0-	1,914	16,560
341	Tenant security deposits	12,277	-0-	-0-	12,277
347	Interprogram due to	<u>-0-</u>	<u>-0-</u>	<u>39,138</u>	<u>39,138</u>
310	Total current liabilities	<u>49,763</u>	<u>-0-</u>	<u>74,951</u>	<u>124,714</u>
350	Total non-current liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
300	Total liabilities	<u>49,763</u>	<u>-0-</u>	<u>74,951</u>	<u>124,714</u>
504	Net HUD PHA contributions	<u>9,172,259</u>	<u>396,345</u>	<u>-0-</u>	<u>9,568,604</u>
508	Total contributed capital	<u>9,172,259</u>	<u>396,345</u>	<u>-0-</u>	<u>9,568,604</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED
DECEMBER 31, 1999

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM	SECTION 8 RENTAL CERTIFICATE PROGRAM	(TOTALS MEMORANDUM ONLY)
512	Undesignated fund balance/retained earnings	\$(5,235,782)	\$ (9,599)	\$(15,732)	\$(5,261,113)
513	Total equity	<u>3,936,477</u>	<u>386,746</u>	<u>(15,732)</u>	<u>4,307,491</u>
600	Total liabilities and equity	<u>\$ 3,986,240</u>	<u>\$ 386,746</u>	<u>\$ 59,219</u>	<u>\$ 4,432,205</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM</u>	<u>SECTION 8 RENTAL CERTIFICATE PROGRAM</u>	<u>(TOTALS MEMORANDUM ONLY)</u>
703	Net tenant rental revenue	\$ 152,392	\$ -0-	\$ -0-	\$ 152,392
704	Tenant revenue - other	<u>2,703</u>	<u>-0-</u>	<u>-0-</u>	<u>2,703</u>
705	Total tenant revenues	155,095	-0-	-0-	155,095
706	HUD PHA grants	226,487	-0-	338,947	565,434
711	Investment income - unrestricted	6,143	-0-	1,835	7,978
715	Other revenue	<u>24,605</u>	<u>-0-</u>	<u>-0-</u>	<u>24,605</u>
700	Total revenues	<u>412,330</u>	<u>-0-</u>	<u>340,782</u>	<u>753,112</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUE AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM</u>	<u>SECTION 8 RENTAL CERTIFICATE PROGRAM</u>	<u>(TOTALS MEMORANDUM ONLY)</u>
911	Administrative salaries	\$ 79,268	\$ -0-	\$30,101	\$ 109,369
912	Auditing fees	8,090	-0-	1,695	9,785
914	Compensated absences	2,296	-0-	-0-	2,296
915	Employee benefit contributions- administrative	23,028	-0-	3,215	26,243
916	Other operating-administrative	59,722	-0-	5,175	64,897
931	Water	30,854	-0-	-0-	30,854
932	Electricity	7,466	-0-	-0-	7,466
933	Gas	695	-0-	-0-	695
938	Other utilities expense	16,853	-0-	-0-	16,853
941	Ordinary maintenance and operations -labor	<u>80,936</u>	<u>-0-</u>	<u>-0-</u>	<u>80,936</u>
	Page total	<u>309,208</u>	<u>-0-</u>	<u>40,186</u>	<u>349,394</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE CERTIFICATE PROGRAM</u>	<u>SECTION 8 RENTAL PROGRAM</u>	<u>(TOTALS MEMORANDUM ONLY)</u>
942	Ordinary maintenance and operations- materials and other	\$ 36,594	\$ -0-	\$ -0-	\$ 36,594
943	Ordinary maintenance and operations- contract costs	49,793	-0-	-0-	49,793
945	Employee benefit contributions- ordinary maintenance	23,706	-0-	-0-	23,706
961	Insurance premiums	38,915	-0-	718	39,633
962	Other general expenses	-0-	-0-	182	182
964	Bad debt - tenant rents	3,843	-0-	-0-	3,843
968	Severance expense	<u>7,376</u>	<u>-0-</u>	<u>-0-</u>	<u>7,376</u>
969	Total operating expense	<u>469,435</u>	<u>-0-</u>	<u>41,086</u>	<u>510,521</u>
970	Excess (deficit) of operating revenue over operating expenses	<u>\$ (57,105)</u>	<u>\$ -0-</u>	<u>\$ 299,696</u>	<u>\$ 242,591</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUE AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING</u>	<u>PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM</u>	<u>SECTION 8 RENTAL CERTIFICATE PROGRAM</u>	<u>TOTAL</u>
	Other Expenses:				
971	Extraordinary maintenance	\$ 1,514	\$ -0-	\$ -0-	\$ 1,514
972	Casualty losses - non-capitalized	-0-	-0-	-0-	-0-
973	Housing assistance payments	-0-	-0-	302,750	302,750
974	Depreciation expense	<u>394,834</u>	<u>9,599</u>	<u>-0-</u>	<u>404,433</u>
900	Total expenses	<u>865,783</u>	<u>9,599</u>	<u>343,836</u>	<u>1,219,218</u>
1000	Deficiency of operating revenue over expenses	<u>\$ (453,453)</u>	<u>\$(9,599)</u>	<u>\$ (3,054)</u>	<u>\$ (466,106)</u>

See Independent Auditors' Report on Supplementary Information.

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MICHAEL B. BRUNO, CPA
ALCIDE J. TERVALON, JR., CPA
WALDO J. MORET, JR., CPA

INDEPENDENT AUDITORS' 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 of Commissioners
Housing Authority of Rapides Parish
Boyce, Louisiana

We have audited the financial statements of the **Housing Authority of Rapides Parish (HARP)** as of and for the year ended December 31, 1999, and have issued our report thereon dated June 9, 2000 which was qualified because we were unable to resolve the classifications and amounts of land, structures, and equipment. Except as previously discussed, we conducted our audit in accordance with generally accepted auditing standards 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 **HARP'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Questioned Costs as items 99-1 through 99-7.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

(CONTINUED)

Internal Control Over Financial Reporting

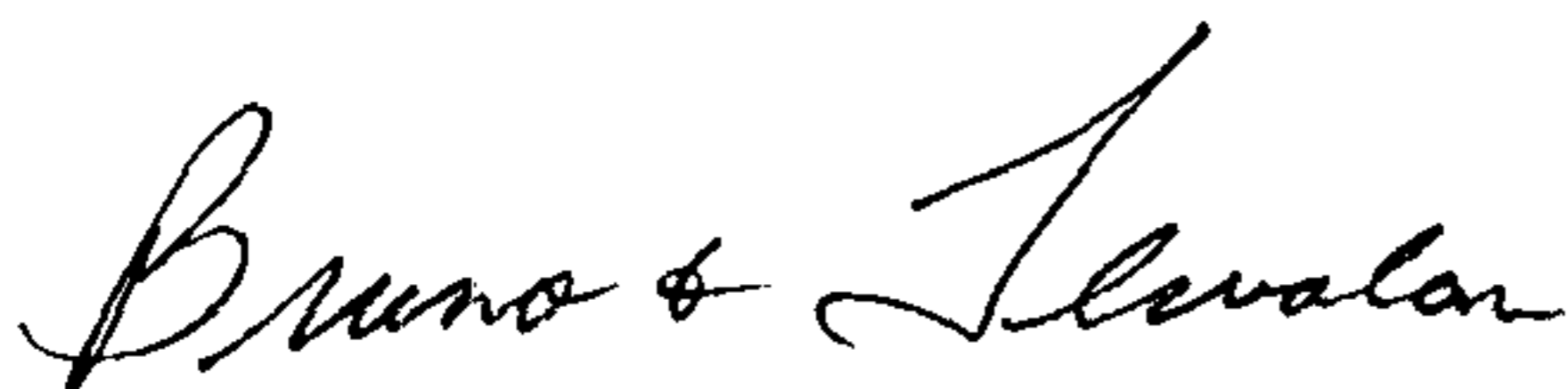
In planning and performing our audit, we considered HARP's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting 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 financial reporting that, in our judgment, could adversely affect HARP's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 99-2, and 99-4 through 99-7.

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. However, we consider the reportable conditions described as items 99-2, 99-4 through 99-5, and 99-7 to be material weaknesses.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

(CONTINUED)

This report is intended solely for the information and use of the Board of Commissioners, HARP's management, the Legislative Auditor, State of Louisiana and the United States Department of Housing and Urban Development and is not intended to, and should not be used by anyone other than these specified parties.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 9, 2000

INDEPENDENT AUDITORS' 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 Rapides Parish
Boyce, Louisiana

Compliance

We have audited the compliance of the **Housing Authority of Rapides Parish (HARP)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and PIH Notice 96-32, Compliance Supplement for Annual Audits of Public Housing Agencies and Indian Housing Authorities by Independent Auditors that are applicable to each of its major federal programs for the year ended December 31, 1999. **HARP's** major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **HARP's** management. Our responsibility is to express an opinion on **HARP's** compliance based on our audit.

Except for the effects of adjustments, if any, had we been able to resolve the classifications and amounts of land, structures, and equipment, we conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and PIH Notice 96-32 Compliance Supplement for Annual Audits of Public Housing Agencies and Indian Housing Authorities by Independent Auditors. Those

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

standards, OMB Circular A-133 and PIH Notice 96-32, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements previously referred to that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **HARP'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 **HARP's** compliance with those requirements.

As described in items 99-1, and 99-3 through 99-7 in the accompanying Schedule of Findings and Questioned Costs, **HARP** did not comply with requirements regarding Section 15 - Books of Accounts, Records and Government Access to all ACC's, 24CFR, as applicable to its ACC's (FW-2021 and FW-2116). Compliance with such requirements is necessary, in our opinion, for **HARP** to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, **HARP** 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 December 31, 1999.

Internal Control Over Compliance

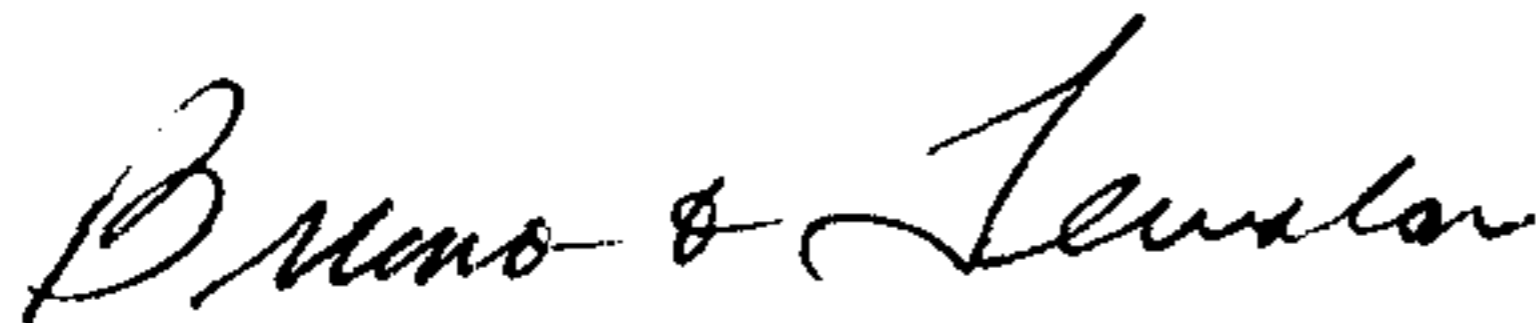
The management of **HARP** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **HARP's** internal control over compliance 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.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

We noted certain matters involving the internal control over compliance and its operation that we considered 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 **HARP's** ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 99-4, through 99-7.

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, of the reportable conditions described above, we consider items 99-4, through 99-5, and 99-7 to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, **HARP's** management, the Legislative Auditor, State of Louisiana, and the United States Department of Housing and Urban Development and is not intended to, and should not be used by anyone other than those specified parties.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

June 9, 2000

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

Reference Number

99-1

Federal Programs

All programs (see Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to 24CFR, **HARP** is required to perform annual inspections of dwelling units.

Condition

Our review of five (5) tenants in **HARP's** owned units and five (5) in Section 8 assisted housing program revealed the lack of documentation to support Housing Quality inspections of the dwelling units.

It is our understanding through discussion with the new Executive Director (hired effective August 18, 1999), that management has instituted the necessary procedures to ensure compliance.

Questioned Costs

NONE.

Context

HARP has leased-up units of 152 for the "PHA" owned and 82 for its Section 8 program.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued

99-1

Effect

Noncompliance with the requirements of 24CFR and Section 15 of the Annual Contributions Contract.

Cause

Lack of established procedure to ensure that required inspections are performed.

Recommendation

Enhanced management oversight to ensure compliance with unit inspections by staff.

Management's Response

The combination of a new software system acquired, and continued management oversight should minimize, if not eliminate, the reference condition.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

99-2

Federal Programs

All programs (see Schedule of Expenditures of Federal Awards)

Criteria

Pursuant to LRS 24:513, all audits are required to be submitted within six months of year end.

Condition

The December 31, 1999 audit report for the **HARP** was not submitted within the timeframe established by Louisiana Revised Statute 24:513.

Based on our discussion with management, we noted that the untimely submission was the result of a need to secure new auditors subsequent to the withdrawal by the previous auditors.

Questioned Costs

None.

Context

Not applicable.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued

99-2

Effect

Noncompliance with state statute.

Recommendation

We recommend that management continue to undertake the necessary steps to ensure the timely submission of HARP's annual audit report.

Management's Response

Management intends to continue to secure its auditors on a timely basis. The delay in report submission was primarily due to the untimely withdrawal by our previous auditors.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

99-3

Federal Program

Section 8 Rental Certificate Program (see Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to 24CFR and its Annual Contributions Contract with HUD, **HARP** must maintain complete and accurate books of account.

Condition

Our review of five (5) Section 8 files revealed five (5) instances where a current lease agreement and/or addendum was not available for each tenant. In addition, our review revealed five (5) instances where a contract with each owner was not available.

It is our understanding that **HARP** is in the process of implementing the necessary procedures to comply with this requirement.

Questioned Costs

NONE.

Context

Section 8 has 82 leased-up units.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued

99-3

Effect

Noncompliance with the requirements of 24 CFR and the Annual Contributions Contract.

Cause

Lack of an established procedure to ensure compliance.

Recommendation

Management should consider an evaluation of its current recertification process to include a checklist system to ensure completeness and follow-up as maybe necessary.

Management's Response

Management concurs with the recommendation and has initiated the necessary processes to ensure compliance. Anticipated completion date is September 30, 2000.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

99-4

Federal Programs

All programs (see Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to Section 15 of the Consolidated Annual Contributions Contract:

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements and to permit timely and effective audits".

Condition

Subsidiary ledgers for investments, tenant receivable, prepaid insurance, accounts payable, etc. provided by the fee accountant for **HARP**, did not agree to the applicable general ledger control accounts. In addition, we noted in the current year, unidentified amounts of \$33,899 classified as other payable in the Section 8 Program and \$44,454 described as other in the Low-Rent Housing Program.

Questioned Costs

NONE.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued

99-4

Context

Not applicable.

Effect

Noncompliance with the requirements of Section 15 of the Consolidated Annual Contributions Contract.

Cause

Lack of adequate controls over financial reporting.

Recommendation

We recommend that management require its fee accountant to ensure as part of its monthly processing that all balances in its general ledger accounts as reflected on the subsidiary ledgers are in agreement to the applicable general ledger control accounts. The reconciliation process should also include identification of the composition of the accounts for management's review.

Management's Response

Management is in the process of implementing a procedure that will ensure the timely reconciliation and resolution of all out of balance differences. Anticipated completion date is October 31, 2000.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

99-5

Federal Programs

All programs (see Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to Section 15 of the Consolidated Annual Contributions Contract:

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements and to permit timely and effective audits".

Condition

Currently the **HARP** shares location of its historical records with its fee accountant. In addition, we noted that due to the age of its fixed assets certain documents are not readily available.

However, we noted that management continues to, on a prospective basis, to accumulate and retain the required fixed asset documents.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued

99-5

Recommendation

We recommend that management continue to work toward the maintenance and retention of its fixed asset records.

Management's Response

Management will continue to work toward a complete and timely maintenance and retention of its fixed asset records.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

99-6

Federal Programs

All programs (see Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to Section 15 of the Consolidated Annual Contributions Contract:

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements and to permit timely and effective audits".

Condition

We noted in seven (7) instances of twenty-one (21) cash disbursement items tested, the lack of documentation (i.e. original invoices, mileage calculation, registration receipts, advance requests, etc.) to support travel advances and/or reimbursements.

Questioned Costs

NONE.

Context

Not applicable.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued

99-6

Effect

Noncompliance with the requirements of Section 15 of the Consolidated Annual Contributions Contract.

Cause

Lack of a travel policy that requires written documentation for advances and/or reimbursements.

Recommendation

We recommend that management consider revising its existing travel policy to include language that requires all travel advances and reimbursements be properly supported with invoices, receipts, and documented calculation of mileage. In addition, management should also review its existing travel policy to ensure its alignment to federal guidelines.

Management's Response

Management is in the process of reviewing its current travel policy and related documentation procedures to ensure compliance. Anticipated completion date is November 30, 2000.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number

99-7

Federal Program

Public and Indian Housing Program (see Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to Section 15 of the Consolidated Annual Contributions Contract:

"The HA must maintain complete and accurate books of account for the projects of the HA in such a manner as to permit the preparation of statements and reports in accordance with HUD requirements and to permit timely and effective audits".

Condition

As a part of the GAAP conversion, the **HARP** had to compile all records relating primarily to its fixed assets and HUD guaranteed debt. Our review of fixed assets schedules prepared by its fee accountant reflected significant adjustments in order to account for all fixed assets. In particular, an adjustment was made to record land, land improvements and structures of approximately \$3,200,000 based on an estimated value prepared by **HARP's** fee accountant.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued

99-7

Condition, Continued

Furthermore, we noted the identification of soft cost of approximately \$730,000 by **HARP'S** fee accountant.

We were unable to satisfy ourselves due in part to the unavailability of documentation and timing of our engagement as auditors, as to the propriety in the estimated value of fixed assets and soft cost classifications and amounts. Management was able to secure from court records the acquisition of the scattered site properties described as LA129-1, by the Rapides Leased Corporation. However, we received no documents upon our request to verify the subsequent transfer or development.

Questioned Costs

NONE.

Context

Not applicable.

Effect

Noncompliance with the requirements of Section 15 of the Consolidated Annual Contributions Contract.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999

Reference Number, Continued

99-7

Cause

Revised maintenance and retention.

Recommendation

We recommend that management research for the related documents via court records or HUD. In addition, management should consider an independent appraisal of the property.

Management's Response

Management concurs with the auditors recommendation, and will initiate resolution with an expected completion date of November 30, 2000.

**HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>Reference Number</u>	<u>Description</u>	<u>STATUS</u>		
		<u>Fully Corrected</u>	<u>Partially Corrected</u>	<u>Not Corrected</u>
98-1	Internal controls to ensure that individuals receiving HAP payments are eligible and amounts are properly calculated.		X	
98-2	Salaries exceeded budget.	X		
98-3	Late submission of audit report.			X
98-6	HUD Form 50072 did not have supporting documentation for unit turnaround and component #4.		X	
98-7	Checks issued had no supporting documentation resulting in questioned cost of \$18,823.00.	X		
97-1	Deficiency in the documentation of form HUD 9886, and lack of submission of HUD Form 50058 to "MTCS".	X		

HOUSING AUTHORITY OF RAPIDES PARISH
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Reportable condition (s) identified that are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? Yes

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes
- Reportable condition(s) identified that are not considered to be material weakness(es)? Yes

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes

HOUSING AUTHORITY OF RAPIDES PARISH
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1999

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.850	Public and Indian Housing Program
14.857	Section 8 Rental Certificate Program
14.852	Public and Indian Housing Comprehensive Improvement Assistance
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

See reference numbers 99-2, 99-4 through 99-7, and 98-3 for audit findings that relate to the financial statements of **HARP**.

Section III - Federal Award Findings and Questioned Costs

See reference numbers 99-1, and 99-3 through 99-7 for audit findings that relate to Federal awards.

HOUSING AUTHORITY OF RAPIDES PARISH
BOYCE, LOUISIANA
STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS

See page 51 for Status of Prior Years' Audit Findings and Questioned Costs.