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**HOUSING AUTHORITY OF THE VILLAGE OF PARKS**

**PARKS, LOUISIANA**

**REPORT OF EXAMINATION OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

**TWELVE MONTHS ENDED JUNE 30, 1999**

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 MAY 17 2000

**WILLIAM DANIEL MCCASKILL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION  
415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471**

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**WILLIAM DANIEL MCCASKILL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION  
415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471**

TELEPHONE 504-845-7772  
FAX 504-845-1313  
CELLULAR 504-807-6498  
E-MAIL DANNYMAC@CMQ.COM

MEMBER  
LOUISIANA SOCIETY OF CPA'S  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

**INDEPENDENT AUDITOR'S REPORT  
UNQUALIFIED OPINION ON GENERAL PURPOSE  
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS**

**BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA 70582**

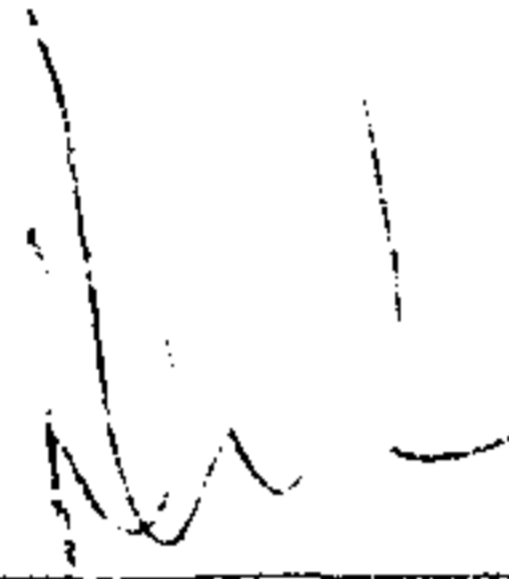
I was engaged to audit the accompanying general purpose financial statements of the Housing Authority of The Village of Parks (PHA) as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements and the supplemental financial information-statutory basis referred to below are the responsibility of the PHA's management.

As described more fully in Schedule of Findings and Questioned Costs, I was unable to verify certain material account balances and documentation needed to properly conduct the audit was not available nor was I able to satisfy myself as to those financial activities by other auditing procedures.

Since I was unable to apply other auditing procedures to satisfy myself about the account balances and unavailable documentation, as discussed in the previous paragraph, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the general purpose financial statements referred to in the first paragraph.

I was engaged to audit the general purpose financial statements of the Housing Authority of the Village of Parks. As described in Note 1, the accompanying supplemental financial

information-Statutory Basis was prepared in conformity with the accounting practices prescribed by the U.S. Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. As notes in the above paragraphs, the scope of our work was not sufficient to enable me to express, and I do not express, an opinion on the Supplemental Financial Information-Statutory Basis.



---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

May 3, 1999

Housing Authority of the Village of Parks  
Parks, Louisiana 70582  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**COMBINED BALANCE SHEET AS OF JUNE 30, 1999**

EXHIBIT A

ASSETS AND OTHER DEBITS	*****GOVERNMENTAL FUNDS*****				*****ACCOUNT GROUPS*****			
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Fiduciary Funds-- Agency Funds	General Fixed Assets	Long Term Obligations	Total (Memorandum Only)
Assets:								
Cash and Cash Equivalents	748.59	0.00	108.35	0.00	888.00	0.00	0.00	1,744.94
Receivables	7,829.16	0.00	15,013.14	0.00	0.00	0.00	0.00	22,842.30
Interfund Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Insurance	2,988.75	0.00	0.00	0.00	0.00	0.00	0.00	2,988.75
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land, Structures & Equipment	0.00	0.00	0.00	0.00	0.00	712,615.67	0.00	712,615.67
Other Debits:								
Amount Available in Debt Service Funds	0.00	0.00	0.00	0.00	0.00	0.00	15,121.49	15,121.49
Amount to be Provided for Retirement of General Long Term Obligations	0.00	0.00	0.00	0.00	0.00	0.00	102,784.76	102,784.76
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>11,566.50</b>	<b>0.00</b>	<b>15,121.49</b>	<b>0.00</b>	<b>888.00</b>	<b>712,615.67</b>	<b>117,906.25</b>	<b>858,097.91</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>								
Liabilities:								
Accounts Payable	116.28	0.00	0.00	0.00	0.00	0.00	0.00	116.28
Interfund Payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deposits Due Others	0.00	0.00	0.00	0.00	888.00	0.00	0.00	888.00
Deferred Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Compensated Absences Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Notes & Bonds Payable	0.00	0.00	0.00	0.00	0.00	0.00	117,906.25	117,906.25
Total Liabilities	116.28	0.00	0.00	0.00	888.00	0.00	117,906.25	118,910.53
Equity & Other Credits								
Investment in General Fixed Assets	0.00	0.00	0.00	0.00	0.00	712,615.67	0.00	712,615.67
Fund Balances:								
Reserved for Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserved for Debt Payment	0.00	0.00	15,121.49	0.00	0.00	0.00	0.00	15,121.49
Unreserved & Undesignated	11,450.22	0.00	0.00	0.00	0.00	0.00	0.00	11,450.22
Total Equity & Other Credits	11,450.22	0.00	15,121.49	0.00	0.00	712,615.67	0.00	739,187.38
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>11,566.50</b>	<b>0.00</b>	<b>15,121.49</b>	<b>0.00</b>	<b>888.00</b>	<b>712,615.67</b>	<b>117,906.25</b>	<b>858,097.91</b>

see notes to financial statements

Housing Authority of the Village of Parks  
Parks, Louisiana 70582

EXHIBIT B

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 1999

REVENUES	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total (Memorandum Only)
Local Sources:					
Dwelling Rental	22,640.00	0.00	0.00	0.00	22,640.00
Interest Charges	0.00	0.00	0.00	0.00	0.00
Receipts from the Sale of Equipment					
Other	1,448.48	0.00	0.00	0.00	1,448.48
Federal Sources:					
Operating Subsidy	11,718.00	0.00	0.00	0.00	11,718.00
Annual Contributions			15,013.14	0.00	15,013.14
Grants			15,013.14	0.00	15,013.14
Total Revenues	35,806.48	0.00	15,013.14	0.00	50,819.62
EXPENDITURES					
Current:					
Administration	3,079.79	0.00	0.00	0.00	3,079.79
Utilities	8,355.20	0.00	0.00	0.00	8,355.20
Ordinary Maintenance & Operations	9,018.56	0.00	0.00	0.00	9,018.56
Protective Services	0.00	0.00	0.00	0.00	0.00
General Expenditures	8,638.13	0.00	0.00	0.00	8,638.13
Nonroutine Maintenance	0.00	0.00	0.00	0.00	0.00
Housing Assistance Payments	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition & Construction	1,651.24	0.00	0.00	0.00	1,651.24
Prior Year Adjustments Affecting Residual Receipts	(1,667.50)				(1,667.50)
Principal Retirement			0.00	0.00	0.00
Interest & Bank Charges			0.00	0.00	0.00
Total Expenditures	29,075.42	0.00	0.00	0.00	29,075.42
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,731.06	0.00	15,013.14	0.00	21,744.20
OTHER FINANCING SOURCES (USES)					
Operating Transfers In					0.00
Operating Transfers Out					0.00
Total Other Financing Sources (Uses)	0.00				0.00
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXP. AND OTHER USES	6,731.06	0.00	15,013.14	0.00	21,744.20
FUND BALANCES AT BEGINNING OF YEAR	4,719.16	0.00	0.00	0.00	4,719.16
FUND BALANCES AT END OF YEAR	11,450.22	0.00	15,013.14	0.00	26,463.36

=====

===== see notes to financial statements =====

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET VS. ACTUAL  
GENERAL FUND FOR THE YEAR ENDED JUNE 30, 1999

*****GENERAL FUND*****			
REVENUES	Budget	Actual	Favorable Variance
Local Sources:			
Dwelling Rental	24,230.00	22,640.00	(1,590.00)
Interest Charges	-	-	-
Receipts from the Sale of Equipment			
Other	50.00	1,448.48	1,398.48
Federal Sources:			
Operating Subsidy	11,718.00	11,718.00	-
Annual Contributions			
Grants			
Total Revenues	35,998.00	35,806.48	(191.52)
EXPENDITURES			
Current:			
Administration	11,140.00	3,079.79	8,060.21
Utilities	9,000.00	8,355.20	644.80
Ordinary Maintenance & Operations	2,440.00	9,018.56	(6,578.56)
Protective Services	-	-	-
General Expenditures	8,830.00	8,638.13	191.87
Nonroutine Maintenance	-	-	-
Housing Assistance Payments			
Facilities Acquisition & Construction	-	1,651.24	(1,651.24)
Prior Year Adj. Affecting Residual Receipts	-	(1,667.50)	1,667.50
Principal Retirement			
Interest & Bank Charges			
Total Expenditures	31,410.00	29,075.42	2,334.58
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,588.00	6,731.06	2,143.06
OTHER FINANCING SOURCES (USES)			
Operating Transfers In			
Operating Transfers Out			
Total Other Financing Sources (Uses)	-	-	-
NET EXCESS (DEFICIENCY) OF REVENUES	4,588.00	6,731.06	2,143.06
FUND BALANCES AT BEGINNING OF YEAR	4,719.16	4,719.16	-
FUND BALANCES AT END OF YEAR	9,307.16	11,450.22	2,143.06

=====

see notes to financial statements

**THE HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of Parks, Louisiana. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the Mayor of Parks, Louisiana, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the US Department of HUD has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining this low rent character.

The PHA has the following programs under management:

	ACC Number	Number of Units
PHA Owned Housing	FW-1097	16

**NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the PHA have been prepared in conformity with GAAP as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

GASB Statement Number 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the PHA is legally separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, (4) authority to issue debt, the PHA is a separate governmental reporting entity. The PHA includes all funds, account groups, activities that are within the oversight responsibility of the PHA.

Certain units of local government over which the PHA exercised no oversight responsibility, such as the school boards, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These



units of government are considered separate entities and issue financial statements separate from those of the PHA.

### **C. FUND ACCOUNTING**

The PHA uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net spendable financial resources.

Funds of the PHA are classified into three categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental funds--Governmental funds account for all or most of the PHA's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of construction of general fixed assets, and the servicing of general long term debt. Governmental funds include:

1. General Fund--the general operating fund of the PHA accounts for all financial resources, except those required to be accounted for in other funds.
2. Debt Service Fund--accounts for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.
3. Capital Projects Funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds--Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the PHA. Fiduciary funds include:

1. Tenant Security Deposits--accounts for assets held by the PHA as an agent for the individual residents. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

## **D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating Statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues--Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. *Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.*

Substantially all other revenues are recorded when they become available to the PHA.

Expenditures--Salaries are recorded as expenditures when paid.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group.

Principal and interest on general long term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)--Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long term debt proceeds, and the like) are accounted for as other financing sources (uses). These other financing sources are recognized at the time the underlying events occur.

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

## **E. BUDGETS**

The following summarizes the budget activities of the PHA during the fiscal year:

1. The PHA adopted budgets for the General Fund, the Special Revenue Fund and the Capital Projects Funds. The Capital Projects Funds budget comparison to actual has not been included since the cash project is a multiple year endeavor.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.
5. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more, a budget amendment is adopted by the PHA in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

## **F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

## **G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agents. Under state law, the

PHA may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

#### **H. SHORT TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short term interfund loans are classified as interfund receivables/payables.

#### **I. INVENTORY**

All purchased inventory items are valued at the lower of cost (first in, first out) or market. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets.

Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased.

#### **J. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets.

#### **K. COMPENSATED ABSENCES**

The PHA follows Louisiana Civil Serviced regulations for accumulated annual and sick leave. Employees may accumulate up to 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 expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group. Leave benefits are based on accrued leave benefits or employees with 10 years service to a maximum of 25 days at their current annual salary.

## **L. LONG TERM OBLIGATIONS**

Long term obligations expected to be financed from governmental funds are reported in the general long term obligations account group. Expenditures for principal and interest payments for long term obligations are recognized in the governmental funds when due.

## **M. FUND EQUITY**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

## **N. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

## **O. TOTAL COLUMNS ON COMBINED STATEMENTS**

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

## **NOTE 2 -- CASH AND CASH EQUIVALENTS**

At June 30, 1999, the PHA has cash and cash equivalents totaling \$2,107.71 as follows:

Noninterest Bearing Demand Deposits	\$1,939.36
Time Deposits	
Petty Cash	60.00
Cash With Fiscal Agent	108.35
Total	\$2,107.71

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the

federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the PHA has \$1939.36 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$0.00 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledger securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the PHA that the fiscal agent has failed to pay deposited funds on demand.

**NOTE 3--RECEIVABLES**

The receivables of \$22,842.30 at June 30, 1999 are as follows:

Class of Receivables	Debt	
	General Fund	Service Fund
Local Sources:		
Tenants	4,595.00	
Other	3,234.16	
Federal Sources:		
Due From HUD		15,013.14
Total	7,829.16	15,013.14

**NOTE 4--FIXED ASSETS**

The changes in general fixed assets are as follows:

LAND, STRUCTURES, & EQUIPMENT	
Balance 6-30-98	710,964.43
Net Additions	1,651.24
Balance 6-30-99	712,615.67

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the US Government. The building cost includes \$n/a of ineligible expenditures as determined by HUD.

**NOTE 5--RETIREMENT SYSTEM**

The PHA does not have a retirement plan.

**NOTE 6--ACCOUNTS PAYABLE**

The payables of \$116.28 at June 30, 1999 are as follows:

Vendors	
Due to Other Governments	
Payment in Lieu	
of Taxes	
Other	116.28

**NOTE 7--COMPENSATED ABSENCES**

At June 30, 1999, employees of the PHA have accumulated and vested \$0.00 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long term obligations account group.

**NOTE 8--CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

Agency Funds:	
Tenant Security Deposits	
Balance 6-30-98	963.00
Net Deletions	75.00
Balance 6-30-99	888.00

**NOTE 9--CHANGES IN GENERAL LONG TERM OBLIGATIONS**

The following is a summary of the long term obligation transactions of the year ended June 30, 1999:

New Agency Bonds	
Balance 6-30-98 and 6-30-99	117,906.25

(A) Project Notes-Non HUD are obligations due HUD. The Debt Forgiveness Act of 1985 forgave these notes. PHA's that executed a revised ACC in 1995 have accomplished the debt forgiveness. The PHA has not accrued interest on Project Notes-Non HUD.

All principal and interest requirements are funded in accordance with Federal law by the annual contributions from the US Department of HUD.

Housing Authority of the Village of Parks  
 City of Village, Louisiana 70582  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended 6-30-99

SCHEDULE I

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U S Department of Housing and Urban Development Direct Programs:		
Low Income Housing:		
Operating Subsidy		11,689.00
Leased		
Development		
Total Low Income Housing	14.850	11,689.00
Section 8 Cluster:		
Vouchers	14.855	
Certificates	14.857	
Moderate Rehabilitation	14.856	
New Construction	14.182	
Substantial Rehabilitation	14.182	
Total Section 8 Cluster		_____
Comprehensive Grants	14.859	_____
CIAP	14.852	_____
Public Housing Drug Elimination Program:		
PHDEP		
Youth Sports		
Total PHDEP	14.854	_____
Shelter + Care	14.238	_____
HOPE	14.858	_____
HOME	14.239	_____
Child Care Food Program (USDA)	10.558	_____
 TOTAL FEDERAL EXPENDITURES		 11,689.00 =====

NOTE: This schedule of expenditures of federal awards is prepared on the HUD regulatory basis of accounting, which is an other comprehensive basis of accounting.

see notes to financial statements



Housing Authority of the Village of Parks  
Parks, Louisiana 70582  
BALANCE SHEET STATUTORY BASIS  
Annual Contributions Contract FW-1097  
June 30, 1999

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SCHEDULE II

ASSETS

Cash	1,636.59
Investments	-
Accounts Receivable	7,829.16
Debt Amortization Funds	15,351.49
Deferred Charges	2,988.75
Land, Structures and Equipment	712,615.67
	-----
TOTAL ASSETS	740,421.66
	-----

LIABILITIES AND SURPLUS

LIABILITIES:

Accounts Payable	1,004.28
Notes Payable	-
Accrued Liabilities	-
Deferred Credits	-
Fixed Liabilities	117,906.25
	-----
TOTAL LIABILITIES	118,910.53
Surplus	621,511.13
	-----
TOTAL LIABILITIES AND SURPLUS	740,421.66
	-----

see notes to financial statements

Housing Authority of the Village of Parks  
Parks, Louisiana 70582  
Annual Contributions Contract FW-1097  
For the year Ended June 30, 1999

SCHEDULE III

STATEMENT OF INCOME AND EXPENSES-PHA OWNED HOUSING  
STATUTORY BASIS

<hr/>	
OPERATING INCOME:	
Dwelling Rental	22,640.00
Interest Income	-
Other Income	1,448.48
	<hr/>
Total Operating Income	24,088.48
OPERATING EXPENSES:	
Administration	3,079.79
Tenant Services	-
Utilities	8,355.20
Ordinary Maintenance and Operations	9,018.56
General Expense	8,638.13
Non-Routine Maintenance	-
	<hr/>
Total Operating Expenses	29,091.68
	<hr/>
NET OPERATING DEFICIT	(5,003.20)
OTHER CHARGES:	
Interest on Notes and Bonds	-
Prior Period Adjustments Affecting Residual Receipts	(1,667.50)
Prior Period Adjustments Not Affecting residual Receipts	-
	<hr/>
TOTAL OTHER CHARGES	(1,667.50)
	<hr/>
DEFICIT	(3,335.70)
	<hr/>

see notes to financial statements

Housing Authority of the Village of Parks

Parks, Louisiana 70582

ANALYSIS OF SURPLUS

STATUTORY BASIS

For the year Ended June 30, 1999

SCHEDULE IV

-----  
ANNUAL CONTRIBUTION CONTRACT

FW-1097

Unreserved Surplus

Balance Per PHA 6-30-98

(444,626.23)

Deficit for fye 6-30-98

(3,335.70)

Provision Operating Reserve

(6,731.06)

Adjustment Recorded

489.58

Balance 6-30-99

-----  
(454,203.41)

Reserved Surplus-Operating Reserve

Balance Per PHA 6-30-98

4,719.16

Provision Operating Reserve

6,731.06

Balance 6-30-99

-----  
11,450.22

Cumulative HUD Contributions:

Balance Per PHA 6-30-98

1,052,546.32

Operating Subsidy

11,689.00

Adjustments Recorded

29.00

Balance 6-30-99

-----  
1,064,264.32

Total Surplus 6-30-99

621,511.13

see notes to financial statements

**WILLIAM DANIEL MCCASKILL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION  
415 MAGNOLIA LANE  
MANDEVILLE, LOUISIANA 70471**

TELEPHONE 504-845-7772  
FAX 504-845-1313  
CELLULAR 504-807-6498  
E-MAIL DANNYMAC@CMQ.COM

MEMBER  
LOUISIANA SOCIETY OF CPA'S  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

**REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL AUDITING STANDARDS**

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE VILLAGE OF PARKS  
PARKS, LOUISIANA 70582

I was engaged to audit the general purpose financial statements of the Housing Authority of The Village of Parks (PHA), as of and for the year ended June 30, 1999, in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. My report dated May 3, 2000 stated that, because I was unable to satisfy myself concerning certain material account balances and documentation needed to properly conduct the audit were unavailable, the scope of my work was not sufficient to enable me to express, and I did not express, an opinion on the general purpose financial statements.

Compliance

As part of obtaining reasonable assurance about whether the PHA's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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, 99-2, 99-3, 99-4, 99-7, 99-9, 99-10, and 99-11.


### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the PHA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose 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 I 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 judgement, could adversely affect the PHA'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 99-1, 99-2, 99-5, 99-6, 99-7, 99-8 and 99-12.

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 with a timely period by employees in the normal course of performing their assigned functions. My 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, of the reportable conditions described above, I consider items 99-1, 99-2, 99-3, 99-5, 99-6, 99-7, 99-8, and 99-12 to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management and HUD. However, this report is a matter of public record and its distribution is not limited.

May 3, 2000



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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

Housing Authority of the Village of Parks  
Parks, Louisiana  
As of June 30, 1999

#### SCHEDULE OF PRIOR AUDIT FINDINGS

The Prior audit findings that are not repeated this year are as follows:

##### 98-3 Phone Log

The staff member that had abused the telephone usage resigned prior to this audit period. We noticed no such abuse.

##### 98-4 Tenant Files

With the exception of the lack of HQS and Utility Allowance information, the tenant files appeared in order.

##### 98-8 No Fidelity Bond

The PHA appears to have had a Fidelity Bond all along.

##### 98-11 Underfunded Trust Account

The PHA had adequate bank balances @ 6-30-99 to cover Tenant Security Deposits.

##### 98-12 Delinquent Tenant Accounts Receivable

We noticed no excessive tenant accounts receivable @ 6-30-99.

All other findings of the prior audit are repeated in this audit as findings 99-1 through 99-7.

Village of Parks Housing Authority 6-30-99  
Parks, La.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### REPEAT FINDINGS:

#### Finding 99-1

Statement of Condition--The PHA withheld employee payroll taxes but did not pay them to the appropriate governmental agencies.

Criteria--The PHA should pay all withholdings in a timely manner.

Effect--The PHA is in violation of federal and state laws and is exposed to penalty and interest.

Cause--Repeated PHA management changes have hampered the PHA in this basic area.

#### Corrective Action Plan:

Person Responsible--Mr. Carnell, Chairman

Corrective Deadline--June 30, 2000

Action Planned--We will determine who we owe how much and will make the payments. All withholdings in the future will be made monthly.

#### Finding 99-2

Statement of Condition--The PHA pays bills late, pays State sales taxes, and does not document all payments. Of the 25 transactions tested, 6 were paid late, 3 included State sales taxes, and 2 had no documentation attached.

Criteria--The PHA should pay all bills on time, not pay sales tax as they are exempt from them, and document all transactions.

Effect--The PHA pays late charges, overpays for services because of State sales taxes, and does not document all transactions.

Cause--1) The PHA has not had enough cash to properly operate (it only administers 16 units and that is a tough problem, 2) PHA staff was not aware that the PHA is exempt from sales taxes, 3) the people signing the checks have not been requiring documentation prior to the signature.

#### Corrective Action Plan:

Person Responsible--Mr. Carnell

Date of Completion--June 30, 2000

Action planned--1) We are amending our monthly budget to provide a surplus, 2) we are no longer paying sales tax and are requesting the utility company to reimburse all sales taxes paid to date, and 3) we will not sign any check without the proper documentation attached.

AUDITOR'S COMMENT:

WHILE I DO UNDERSTAND THE STRUGGLE THAT THIS SMALL PHA HAS HAD IN THE PAST TO OPERATE WITH LIMITED RESOURCES, GIVEN THAT THE PHA NOW HAS CIAP MONIES AVAILABLE, \$22,700 THIS YEAR ALONE, IT SEEMS THAT THE PROPER ALLOCATION OF THESE CIAP MONIES WOULD ENABLE THE PHA TO OPERATE AT A SURPLUS. AS OF THE DATE OF THE AUDIT FIELD WORK, NONE OF THIS CIAP MONIES HAD BEEN DRAWN. WHILE AT THE PHA, I WORKED UP A SIMPLE MONTHLY OPERATING BUDGET FOR THE PHA WITH CURRENT MANAGEMENT IN PLACE AND IT SEEMED TO BE FEASIBLE.

Finding 99-3

Statement of Condition-- The PHA overran it's budget in 5 expense areas for a total of \$8,229.

Criteria--The PHA should follow it's approved operating budget.

Effect--The PHA violated State budgeting law and it's own policies.

Cause--The books and records were so late in processing that the PHA could not know when it was within budget. As of the date of the field work, 5-3-2000, the PHA had not provided the fee accountant with any financial information for fiscal year 6-30-2000.

Corrective Action Plan:

Person Responsible--Mr. Carnell

Date of Completion--June 30,2000

Action Planned--We will immediately deliver to the fee accountant the financial information for the current fiscal year. In the future, we will promptly deliver all financial information monthly. We will constantly monitor the budget versus actual throughout the year.



Finding 99-4

Statement of Condition--PHMAP information was unavailable, in fact, nonexistent.

Criteria--The PHA should retain all worksheets for PHMAP for audit review.

Effect--The PHA did not complete a PHMAP report, resulting in a grade of a presumptive zero. The PHA has been declared "Troubled" and turned over to the HUD Troubled Agency Recovery Center (TARC).

Corrective Action Plan:

Person Responsible--Mr. Carnell

Date of Completion--August 31, 2000

Action Planned--We will complete the PHAS required by HUD and retain all workpapers for audit purposes.

Finding 99-5

Statement of Condition--Cash collected does not match bank deposits. The account Deposits Over and Under has a balance as of 6-30-99 of \$3,234.16. This is the amount of monies unaccounted for over a number of years. Additionally, the general ledger balance of Tenant Accounts Receivable is \$4,595, whereas the rent register reflects \$1,109. These reflect an overall lack of controls over this basic function.

Criteria--The PHA should balance the rent register with the general ledger monthly. The PHA should deposit all rent monies collected promptly and investigate any entry in account Over and Under.

Effect--The PHA does not have control over this basic PHA function.

Cause--In the past, the financial records are never timely so the PHA could not properly control this function.

Corrective Action Plan:

Person Responsible--Mr. Carnell

Date of Completion--July 31, 2000

Action Planned--We will deliver the financial records to the fee accountant promptly for July and investigate any differences in the TAR's and any entry to Deposits Over and Under.

Finding 99-6

Statement of Condition--There is no physical inventory balanced to the general ledger.

Criteria--The PHA should take a physical inventory of all fixed assets annually and have the fee accountant balance the general ledger to it.

Effect--The main asset of the PHA, Fixed Assets, lacks control.

Corrective Action Plan:

Person Responsible--Mr. Carnell

Completion Date--June 30, 2000

Action Planned--We will inventory all fixed assets and deliver the inventory to the fee accountant so they can properly adjust the general ledger.

Finding 99-7

Statement of Condition--The current audit is late according to State and Federal law.

Criteria--The audit is due within 6 months of the fiscal year end by state law and within 9 months by federal law.

Effect--The PHA is in violation of both federal and state law.

Cause--When the auditor was scheduled to do the field work, the PHA advised our firm the day before that field work that there was no money available to pay for the audit and that there was a management change going on and no one representing the PHA would be available to meet the auditor. Our firm promptly withdrew from the engagement. Only after our firm was assured that the monies would be available as would management did we reschedule the field work. Please note that not all of the monies due during the field work were available. The late audit is not the fault of the audit firm.

Corrective Action Plan:

Person Responsible--Mr. Carnell

Completion Date--December 31, 2000

Action Planned--We will engage an audit firm by 6-30-2000, have the fee accountant close the year end out timely, and ensure that the audit is timely.

NEW FINDINGS THIS YEAR:

Finding 99-8

Statement of Condition--We could not confirm general ledger balances for TAR, Deposit Over and Under, Prepaid Insurance, Deposits with HUD, TSD, and Fixed Assets for a total unconfirmed amount of \$724,551 out of a total asset balance of \$740,421. This caused us to issue a Disclaimer of opinion.

Criteria--The PHA should have documentation available to allow an auditor to express an opinion on the financial statements.

Effect--The audit firm issued a disclaimer of opinion.

Corrective Action Plan:

Person Responsible--Mr. Carnell

Completion Date--June 30, 2000

Action Planned--We will secure adequate documentation for the next auditor to express an opinion on our financials.

Finding 99-9

Statement of Condition--The PHA has not inspected it's units using the HUD Housing Quality Standards (HQS) form.

Criteria--At least annually, the PHA must inspect it's units using the HQS standards and form.

Effect--The PHA is not able to document the physical status of it's units.

Cause--PHA staff was unaware of this requirement.

Corrective Action Plan:

Person Responsible--Mr. Carnell

Completion Date--June 30, 2000

Action Planned--We will inspect each unit using the HQS form.

Finding 99-10

Statement of Condition--There was a transcript of only 1 board meeting during the audit period.

Criteria--The board must have minutes of all meetings.

Effect--It is impossible to determine if the board is properly doing it's job.

Corrective Action Plan:

Person Responsible--Mr. Carnell

Completion Date--June 30, 2000

Action Planned-- We will transcribe all minutes available and continue to do so in the future.

Finding 99-11

Statement of Condition--The PHA has never had a utility allowance study done.

Criteria--The PHA must periodically have a utility allowance study done and take this into consideration on tenant rent calculations.

Effect--The tenants are paying incorrect rent amounts.

Cause--The PHA staff was not aware of this requirement.

Corrective Action Plan:

Person Responsible--Mr. Carnell

Completion Date--August 31, 2000

Action Planned--We will contract for someone to perform a utility allowance study and adjust tenant rents accordingly.

Finding 99-12

Condition--No PHA policies were available for our inspection. The PHA staff indicates all policies are outdated.

Criteria--The PHA must keep policies at the PHA and they must be periodically updated.

Effect--It is impossible to determine if the PHA's policies are being followed.

Cause--The policies are in the possession of contract personnel who were recently terminated. The contract personnel had been in the process of updating PHA policies.

Corrective Action Plan:

Person Responsible--Mr. Carnell

Completion Date--August 31, 2000

Action Planned--We understand that TARC has hired a contractor to update our policies.