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**HOUSING AUTHORITY OF THE CITY OF RENTON  
RENTON, LOUISIANA**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION**

**FOR THE YEARS ENDED 12-31-02, 12-31-03, 12-31-04, 12-31-05, 12-31-06, & 12-31-08**

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 State Fiscal Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 04/04/01

**WILLIAM DANIEL MCCRELL, CPA**  
C. ACCOUNTING ATTORNEY CERTIFIED

415 MARSHALL ROAD  
MONROE, LOUISIANA 70001

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**WILLIAM DANIEL MCCLARREL, CPA**

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**MEMPHIS  
MEMPHIS OFFICE OF THE  
LABORERS OFFICE OF THE  
GENERAL OFFICE OF THE**

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

**BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE CITY OF MONROE  
MONROE, LOUISIANA**

I was engaged to audit the accompanying general purpose financial statements of the Housing Authority of the City of Monroe (HAC) as of and for the years ended 12-31-93, 12-31-94, 12-31-95, 12-31-96, 12-31-97, & 12-31-98, as listed in the table of contents. These general purpose financial statements are the responsibility of the HAC's management.

As described more fully in the 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 FWA. As described in Note 1, the FWA prepares its general purpose financial statements and the accompanying supplemental information on the basis of accounting prescribed by FASB, which is a comprehensive basis of accounting other than generally accepted accounting principles. As noted in the above paragraphs, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the Supplemental Financial Information-Statutory Basis.

This report is intended solely for the information and use of the Board of Commissioners of the FWA, and for filing with the Department of HEP and should not be used for any other purpose.



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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

March 15, 2001

Housing Authority of the City of Peoria

Peoria, Louisiana

BALANCE SHEET

HUBS REGULATORY BOARD

For the Years Ended 12-31-93, 12-31-94, 12-31-95, 12-31-96, 12-31-97, & 12-31-98

EXHIBIT A

ASSETS	12-31-93	12-31-94	12-31-95	12-31-96	12-31-97	12-31-98
Cash	17,908.59	1,198.63	2,953.03	17,530.82	24,302.64	12,374.52
Investments					679.08	2,852.09
Accounts Receivable					245.00	1,437.75
Debt Amortization Funds			1,308,924.50	1,693,638.88	1,793,229.90	1,948,096.23
Deferred Charges		126,270.19				
Land, Structures and Equipment			1,291,883.97	1,711,029.30	1,725,459.34	1,584,199.50
<b>TOTAL ASSETS</b>	<b>17,908.59</b>	<b>151,468.82</b>	<b>1,294,836.50</b>	<b>1,711,029.30</b>	<b>1,725,459.34</b>	<b>1,584,199.50</b>

LIABILITIES AND SURPLUS

<b>LIABILITIES:</b>						
Accounts Payable		160.65	134.85	6,483.78	9,226.89	7,486.80
Notes Payable						1,182.22
Accrued Liabilities						
Deferred Credits						
Fund Liabilities						
<b>TOTAL LIABILITIES</b>	<b>0.00</b>	<b>160.65</b>	<b>134.85</b>	<b>6,483.78</b>	<b>9,226.89</b>	<b>15,752.02</b>
Surplus	17,908.59	131,308.17	1,261,701.65	1,704,545.52	1,716,232.45	1,568,447.48
<b>TOTAL LIABILITIES AND SUR</b>	<b>17,908.59</b>	<b>131,468.82</b>	<b>1,261,836.50</b>	<b>1,711,029.30</b>	<b>1,725,459.34</b>	<b>1,584,199.50</b>

see notes to financial statements

Hoarding Authority of the City of Peoria  
Peoria, Illinois

EXHIBIT B

STATEMENT OF INCOME AND EXPENSES-FHA OWNED HOUSING

HUD REGULATORY BASES

For the Years Ended 12-31-93, 12-31-94, 12-31-95, 12-31-96, 12-31-97, & 12-31-98

	12-31-93	12-31-94	12-31-95	12-31-96	12-31-97	12-31-98
<b>OPERATING INCOME:</b>						
Dwelling Rental Income	0.00	0.00	0.00	5,539.00	46,372.21	40,430.00
Other Income					416.34	326.18
Total Operating Income	0.00	0.00	0.00	5,539.00	46,788.55	40,756.18
<b>OPERATING EXPENSES:</b>						
Administrative					15,780.37	12,293.95
Tenant Services					0.00	0.00
Utilities					3,118.41	2,271.60
Ordinary Maintenance and Operations					15,532.88	16,988.69
General Expenses					1,772.84	12,982.10
Non-Routine Maintenance					1,688.90	3,700.00
Total Operating Expenses	0.00	0.00	0.00	0.00	37,872.30	51,136.34
<b>NET OPERATING DEFICIT</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,539.00</b>	<b>9,511.25</b>	<b>(6,380.16)</b>
<b>OTHER CHARGES:</b>						
Interest on Notes and Bonds					0.00	0.00
Prior Period Adjustments Affecting					0.00	0.00
Residual Receipts					0.00	(1,831.27)
Prior Period Adjustments Not Affecting					0.00	0.00
Residual Receipts					0.00	0.00
<b>TOTAL OTHER CHARGES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(1,831.27)</b>
<b>SURPLUS (DEFICIT)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,539.00</b>	<b>9,511.25</b>	<b>(6,443.89)</b>

see notes to financial statements

**THE HOUSING AUTHORITY OF THE CITY OF FENTON  
FENTON, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION**

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

**PRINCIPLES OF ACCOUNTING**

The financial statements of the PFA are prepared on the basis of accounting practices prescribed by HUD. These practices differ in some respects from generally accepted accounting principles. Accounting practices of the PFA which depart from those required by generally accepted accounting principles are identified below.

**ACCOUNTS RECEIVABLE**

Accounts receivable from tenants are not stated at net realizable value as required by generally accepted accounting principles. The balances are presented in accordance with HUD prescribed practices.

**DEBT SERVICE FUNDS**

The PFA's debt is administered by HUD. Debt service funds are amounts on deposit with fiscal agents or due from HUD to pay principal and interest on the obligations of the PFA and for such other purposes as may be provided in the annual contributions contract.

**LAND, STRUCTURES AND EQUIPMENT**

Land, structures and equipment are recorded at cost and, in accordance with HUD procedures, there is no provision for depreciation. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period. Maintenance and repair costs are charged against income as they are incurred; significant renewals and betterments are capitalized. A deduction is made for retirements resulting from renewals or betterments.

**FIXED LIABILITIES**

The PFA's consolidated financing process is administered by HUD. Bonds payable are not segregated between current and noncurrent portions as required by generally accepted accounting principles, but are presented in accordance with HUD prescribed practices.

**NOTE 2-LAND, STRUCTURES, AND EQUIPMENT:**

Activity for land, structures, and equipment is capitalized by the PMA.

**NOTE 3-THE REPORTING ENTITY**

The Housing Authority of The City of Fenton is governed by a five member board of commissioners appointed by The City of Fenton. The financial statements include all of the activities relevant to the operation of the organization. The PMA has no oversight responsibility for any other government entity. During the years audited, the PMA had activities in Conventional Housing.

**NOTE 4-UNUSUAL CIRCUMSTANCES OF THE AUDIT**

The PMA acknowledges that this audit engagement is affected by unusual circumstances. The PMA has been in operation since 1989 and has never engaged an audit until this one. Source documentation is disorganized at best. The disorganization of source documentation as well as matters referenced in the findings section caused the audit firm to issue a disclaimer of opinion. As a result, the situation described caused the audit report to be in a form that satisfies the PMA, HUD Title III Agency Recovery Credit (TARC), and the Legislative Auditors Office but is not in a GAAP format and is in a format prescribed by the PMA to minimally satisfy all parties.

**NOTE 5-POSSIBLE PAYMENT IN LIEU OF TAXES (PLOT) DIFFERENCE**

Per the cooperation agreement between the PMA and the city, the PMA is obligated to pay to the city PLOT in the amount of 10% of net ~~payroll~~ net of utilities expense. The PMA has been computing PLOT using 10% of net ~~payroll~~ net of utilities. If the cooperation agreement that I was furnished is still in effect then it appears that the PMA is accruing more expense than required. The PMA needs to determine which calculation is correct and take action as warranted.



Housing Authority of the City of Prenton  
 City of Prenton, Louisiana  
**SCHEDULE I**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the years ended 12-31, 12-94, 12-95, 12-96, 12-97, & 12-98

FEDERAL AGENCY:	CFDA NO.					
	12-31-85	12-31-86	12-31-87	12-31-88	12-31-89	12-31-90
<b>U.S. Department of Housing and Urban Development Direct Programs:</b>						
Low Income Housing:						
Operating Subsidy	0.00	0.00	0.00	0.00	0.00	0.00
HUD Debt Service						
Developments	17,682.50	112,664.68	1,258,658.31	1,258,658.31	204,250.26	4,384.00
Total Low Income Housing:	14,830	112,664.68	1,258,658.31	1,258,658.31	204,250.26	4,384.00
Section 8 Cluster:						
Vouchers	14,830					
Certificates	14,837					
Moderate Rehabilitation	14,836					
New Construction	14,152					
Seasonal Rehabilitation	14,182					
Total Section 8 Cluster:	76,867					
<b>TOTAL FEDERAL EXPENDITURES</b>	<b>17,665.50</b>	<b>112,664.68</b>	<b>1,258,658.31</b>	<b>1,258,658.31</b>	<b>204,250.26</b>	<b>4,768.00</b>

NOTE: This schedule of expenditures of federal awards is prepared on the HUD regulatory basis of accounting (OASPLA).

see notes to financial statements

WILLIAM DAVIS MCCASKEY, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

111 NORTOL LANE

MONROE, LOUISIANA 70001

MEMBERS OF BOARD OF  
THE HOUSING AUTHORITY  
BOARD OF COMMISSIONERS  
LOCAL HOUSING AUTHORITY OF

REPORT  
MEMBERSHIP ACCOUNT OF THE  
MEMBERSHIP ACCOUNT OF THE  
MEMBERSHIP ACCOUNT OF THE

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 THE CITY OF MONROE  
MONROE, LOUISIANA

I have audited the financial statements of the Housing Authority of The City of Monroe (HRA), as of and for the years ended 12-31-93, 12-31-94, 12-31-95, 12-31-96, 12-31-97, & 12-31-98, and have issued my report thereon dated March 15, 2001. I conducted my 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 the HRA's 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 28-1 through 28-28.


Internal Control Over Financial Reporting

In planning and performing my audit, I considered the PMA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operations that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the PMA's ability to record, process, summarize and report financial data consistent with assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 98-1 through 98-28.

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. My consideration of 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 98-1 through 98-28 to be material weaknesses.

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

March 15, 2001

  
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William Daniel McCaskey, CPA  
A Professional Accounting Corporation

WILLIAM DANIEL MCCASKILL, CPA

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101 CANFIELD LANE  
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ISSUANCE ON 10-10-78  
NO. 27 000-001  
ISSUANCE TO 007-000  
FEDERAL GOVERNMENT USE

FORM NO.  
ISSUANCE UNDER 101-1  
ISSUANCE UNDER 101-1  
ISSUANCE UNDER 101-1

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

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE CITY OF FORTON  
FORTON, LOUISIANA

Compliance

I have audited the compliance of the Housing Authority of The City of Forton (HHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Requirements that are applicable to each of its major programs for the years ended 12-31-83, 12-31-84, 12-31-85, 12-31-86, 12-31-87, & 12-31-88. The HHA's major federal programs are identified in the summary of auditor's results portion of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the HHA's management. My responsibility is to express an opinion on the HHA's compliance based on my audit.

I conducted my 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. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the HHA's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the HHA's compliance with these requirements.

As described in items 98-1a, 98-1b through 98-10a, and 98-11a through 98-17a in the accompanying schedule of findings and questioned costs, the FMA did not comply with requirements regarding activities allowed or unallowed, Allocable costs/cost principles, cash management, eligibility, equipment and real property management, procurement, program income, and reporting that are applicable to its Low Income Housing program. Compliance with such requirements is necessary, in my opinion, for the FMA to comply with requirements applicable to these programs.

In my opinion, except for the noncompliance described in preceding paragraph, the FMA complied, in all material respects, with the requirements referred to above that are applicable to each of the major federal programs for the years ended 12-31-83, 12-31-84, 12-31-85, 12-31-86, 12-31-87, & 12-31-88.

#### Internal Control Over Compliance

The management of the FMA 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 my audit, I considered the FMA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgement, could adversely affect the FMA'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 98-1a, 98-1b through 98-10a, and 98-11a through 98-17a.

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. My 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, I consider items 98-1a, 98-1a through 98-10a, and 98-10a through 98-27a to be material weaknesses.

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

---

William Daniel McTeakill, CPA  
& Professional Accounting Corporation

March 15, 2001

THE HOUSING AUTHORITY OF THE CITY OF MONROE  
MONROE, LOUISIANA

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There was no prior audit therefore there could be no prior audit findings.

THE HOUSING AUTHORITY OF THE CITY OF MONROE  
MONROE, LOUISIANA

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

For A-133, Section 505160

1. Summary Schedule of Auditors Results:

- i. The report includes a disclaimer of opinion on the financial statements.
- ii. Reportable conditions in internal controls found at the financial statement level were disclosed by the audit of the financial statements and were considered material weaknesses.
- iii. The audit disclosed noncompliance which is material to the financial statements.
- iv. Reportable conditions in internal control over major programs were disclosed by the audit.
- v. The compliance report issued for major programs was qualified.
- vi. The report disclosed audit findings required to be reported under Section 518a of A-133.
- vii. All major programs have oversight by H&B and are identified as follows:

CFDA #	Name of Program
14.850	Low Income Housing
- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$333,000.00.
- ix. The auditee was not considered a low risk auditee.



2. Findings relating to the financial statements required to be reported with GAGAS are as follows:

**Finding Number 88-1**

Statement of Conditions--The audit is late per State and Federal law.

Criteria--Audits are due within 2 months of the FYE per State law and within 3 months of the FYE per Federal law.

Effect--The NIA violated State and Federal law.

**FNA Response--Please see corrective action plan.**

**Finding Number 88-2**

Statement of Conditions--The financial records are not in a GAAP format.

Criteria--State law requires GAAP accounting.

Effect--The FNA violated state law.

**FNA Response--Please see corrective action plan.**

**Finding Number 88-3**

Statement of Conditions--The construction/development of the 28 apartments comprising the FNA properties appears to have departed from HUD regulations in the following areas:

There was no documentation provided to me to indicate that FNA staff properly monitored the construction phase including 1) construction progress monitoring charts, 2) site inspection reports, 3) follow up of deficiencies noticed during the prior inspections, 4) review and approval of material testing to verify compliance with the specifications, 5) staff monitoring of construction progress versus projection, 6) regular progress meetings with the contractor, 7) maintaining of a construction log of potential delays, 8) testing of lead based paint compliance, 9) compliance with the requirement of having flood insurance on the apartments during construction if required, 10) final inspections and releases of liens prior to payment of the final contractual amount due, and 11) warranty inspections including the 11th month inspection.

The FNA provided no documentation to confirm that the FNA complied with laws and regulations concerning the procurement of ABE services and other contractual services.

The FMA failed to require the general contractor to comply with the following contract requirements as of 12-27-84. 1) there was no contractor office on site. 2) there was no contractor representative on site. 3) BEO and labor rate information was not posted. 4) change order documentation did not meet Federal procurement requirements.

The FMA failed to provide adequate documentation for program expenditures in 1984 1) the LOOS draw form hard copies in file total \$560,746 whereas the amounts actually drawn from HUD total \$1,785,085. and 2) there are numerous LOOS draw hard copies in file used to draw monies from HUD where absolutely no source documentation was provided totaling \$22,800.

Criteria--HUD regulations require the following:

FMA staff is responsible for monitoring and documenting 1) construction progress monitoring charts, 2) site inspection reports, 3) following up on deficiencies noted, 4) results of reviewing and approving of material testing, 5) construction progress versus projections, 6) results of regular progress meetings with the contractor, 7) a construction log of potential delays, 8) testing of Davis Bacon Act compliance, 9) having flood insurance on units during construction where required, 10) final inspections and releases of liens prior to payment of the final contractual amount due, and 11) warranty inspections including the 12th month inspection.

The FMA must maintain records to prove that it complied with laws and regulations concerning procurement including Aes services as well as development management services.

The FMA must require the general contractor to comply with contract requirements such as 1) having a contractor office on site, 2) having a contractor representative on site, 3) posting BEO and labor rate information, and 4) having change order documentation meet Federal procurement requirements.

The FMA must not draw down LOOS monies from the Federal government without proper documentation.

Effect--The FMA violated Federal laws and/or HUD regulations in each of the above mentioned matters.

FMA Response--Please see corrective action plan.

**Finding Number 98-4**

**Statement of Conditions--**A former Executive Director was appointed to the position by the mayor.

**Criteria--**The PMA should advertise the vacant position of Executive Director. The board should interview candidates and hire the best one available.

**Effect--**The mayor interfered in a function that he is not authorized to do. The board did not fulfill its obligation to the PMA.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-5**

**Statement of Conditions--**The PMA did not use purchase orders.

**Criteria--**The PMA should use purchase orders that provide proper internal controls.

**Effect--**The PMA lacks adequate internal controls over purchasing.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-6**

**Statement of Conditions--**The PMA withheld payroll taxes but did not remit them to the appropriate government agencies.

**Criteria--**The PMA must remit withheld payroll taxes on a timely basis.

**Effect--**The PMA is violating Federal and State Law.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-7**

**Statement of Conditions--**The PMA was eligible for operating subsidy for fiscal years 1996, 1997, and 1998 but did not request this from HUD.

**Criteria--**The PMA is eligible for operating subsidy beginning when it first rents apartments.

**Effect--**The PMA did not enjoy the cash flow that it was entitled to. One result of this is that it was eventually considered as "troubled" financially.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-8**

**Statement of Conditions--**A former Executive Director was paid in advance for much of the time she worked.

**Criteria--**State law prohibits the payment of salary in advance.

**Effect--**The PMA violated State Law.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-9**

**Statement of Conditions--**The PMA did not have an adopted operating budget.

**Criteria--**The PMA should adopt an operating budget prior to the beginning of the fiscal year and monitor budget versus actual during the fiscal year.

**Effect--**The PMA violated State law. In addition, the PMA did not exercise proper control over revenue and expenditures. One result of this condition was the PMA being declared "Troubled" financially.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-10**

**Statement of Conditions--**Financial statements are missing for the months of September, October and November 1998.

**Criteria--**The PMA must maintain financial records for each month of each fiscal year.

**Effect--**It is not possible to properly audit the PMA with missing financial information.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-11**

**Statement of Conditions--**There is evidence of a board member interfering with the day to day operations of the PMA, relatives of a resident board member are also residents of the PMA and perform contract duties for the PMA.

**Criteria--**The duties of the board include setting policy for staff to enforce. It may be a conflict of interest for relatives of a board member to reside at the PMA and/or to perform contract duties at the PMA.

Effect--The board may not be correctly performing their organizational duties. The FEA may be involved in conflict of interest issues.

**FEA Response--Please see corrective action plan.**

**Finding Number 98-13**

Statement of Conditions--The FEA is not posting notices of board meetings in advance.

Criteria--State law requires the posting of notices of board meetings at least 92 hours in advance of the meeting.

Effect--The FEA is in violation of state law.

**FEA Response--Please see corrective action plan.**

**Finding Number 98-13**

Statement of Conditions--The FEA does not have copies of the written Oath of Office and Certificate of Appointment for each board member.

Criteria--State law requires a signed copy of this to be on file.

Effect--The FEA is in violation of State law.

**FEA Response--Please see corrective action plan.**

**Finding Number 98-14**

Statement of Conditions--The FEA has not performed a physical inventory of property and had the general ledger adjusted to it.

Criteria--The FEA should conduct an annual physical inventory and have the general ledger adjusted accordingly.

Effect--The FEA is not exercising proper controls of assets.

**FEA Response--Please see corrective action plan.**

**Finding Number 98-15**

Statement of Conditions--The FEA is not submitting Tenant Accounts Receivable Reports (HUD 81294) and Occupancy Reports (HUD 81294).

Criteria--For HUD regulation these reports are required to be submitted to HUD on a semi annual basis.

Effect--The FEA is in violation of HUD regulations.

**FEA Response--Please see corrective action plan.**

**Finding Number 99-16**

**Statement of Conditions--**The MIA is not requiring staff to document work attendance and leave taken.

**Criteria--**All staff should document time and attendance in writing.

**Effect--**The MIA is not exercising proper control over payroll.

**MIA Response--**Please see corrective action plan.

**Finding Number 99-17**

**Statement of Conditions--**The FEA is paying State and Local sales tax on some purchases.

**Criteria--**The MIA is exempt from State and Local sales taxes.

**Effect--**The FEA is wasting monies that could be expended on resident needs.

**MIA Response--**Please see corrective action plan.

**Finding Number 99-18**

**Statement of Conditions--**The MIA is not conducting an annual utility allowance study.

**Criteria--**HUD regulations require an annual update of utility allowances.

**Effect--**The MIA is in violation of HUD regulation and is charging residents incorrect rents.

**MIA Response--**Please see corrective action plan.

**Finding Number 99-19**

**Statement of Conditions--**The FEA does not have a maintenance plan in effect.

**Criteria--**Per HUD regulation the FEA must have a maintenance plan in effect.

**Effect--**The FEA is in violation of HUD regulation.

**MIA Response--**Please see corrective action plan.

**Finding Number 98-10**

**Statement of Conditions--**The PMA is not maintaining an appropriate resident waiting list.

**Criteria--**HHS regulations require that the PMA maintain and utilize an appropriate waiting list.

**Effect--**The PMA is in violation of HUD regulation.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-21**

**Statement of Conditions--**The tenant files during the audit period lacked basic documentation needed to prove eligibility.

**Criteria--**Tenant files must include specific documentation to prove resident eligibility and appropriate rent charges.

**Effect--**It is impossible to determine if the residents were eligible and/or if they were paying the correct rents.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-22**

**Statement of Conditions--**During much of the audit period the financial records were posted over 1 year late.

**Criteria--**The financial records should be posted currently for staff to properly monitor financial performance.

**Effect--**The PMA is not exercising proper controls over financial matters.

**PMA Response--**Please see corrective action plan.

**Finding Number 98-23**

**Statement of Conditions--**The PMA lacks proper internal controls such as the proper segregation of duties, utilization of policies, maintaining equipment inventory records, competitive procurement procedures, and appropriate delinquent rent collection.

**Criteria--**The PMA must utilize all of the above internal control procedures to properly manage the organization.

**Effect--**The PMA is poorly organized and dysfunctional.

**PMA Response--**Please see corrective action plan.

**Finding Number 88-24**

**Statement of Conditions--**The FMA does not generate adequate source documentation such as rent rolls, pre numbered receipt forms, adequate contract labor invoices, marking invoices as "paid", and guest documents.

**Criteria--**Maintaining adequate source documentation is essential to properly controlling the functions of the FMA.

**Effect--**The FMA is not adequately documenting basic functions.

**FMA Response--**Please see corrective action plan.

**Finding Number 88-25**

**Statement of Conditions--**Cash management is extremely poor. Cash receipts and expenditure documentation are not timely organized and bound for recordation. A fair but firm rent collection policy is not being enforced, some residents were 8 months delinquent in rent payment. The rent register is posted after the fact. Rent charges are not re-certified annually resulting in residents paying incorrect rent amounts. Late charges are not being collected from residents.

**Criteria--**Cash receipt and expenditure documentation should immediately be bound in order for recordation. A fair but firm rent collection policy should be followed. Delinquent residents should be evicted promptly. Late charges should be assessed.

**Effect--**The FMA is failing miserably in this basic apartment management function.

**Finding Number 88-26**

**Statement of Conditions--**Sixteen policies need to be updated and/or adopted and posted including Capitalization, Code of Ethics, Collection, EEOC, Income Limits, Lease, Minority Business Enterprises, Occupancy, Personnel, Pet, Procurement, Transfer, Utility Allowance, Investment, Grievance, and Eviction policies.

**Criteria--**To satisfy HUD regulations all of the above policies must be updated and/or adopted and posted for the public to review.

**Effect--**The FMA is in violation of HUD regulation.

**FMA Response--**Please see corrective action plan.



**Finding Number 88-27**

**Statement of Conditions--**The PMA must locate or adopt a cooperation agreement with the City.

**Criteria--**HUP regulations require a written cooperation agreement between the PMA and the City.

**Effect--**The PMA is in violation of HUP regulations and cannot document that it and the City are following the cooperation agreement terms.

**PBA Response--**Please see corrective action plan.

**Finding Number 89-28**

**Statement of Conditions--**The Board minutes were not orderly until July 2000. Board minutes approving the previous minutes were not signed. The PBA had infrequent board meetings until January 2000.

**Criteria--**The Board minutes should be bound in chronological order. The board should approve the transcribed minutes of the prior meeting. The board should meet at appropriately scheduled intervals.

**Effect--**It is impossible to determine if the board is fulfilling its obligations to the PMA.

**PMA Response--**Please see corrective action plan.

2. Findings and questioned costs for Federal awards as defined in 2-100, Section 518, all with HUD oversight.

1. Name of Program--Low Income Housing  
Identification Number--  
CFDA Title and Number--14.858  
Federal Award Number & Year--  
Name of Federal Agency--HUD  
Name of Pass Through Entity--None
2. Criteria--28-1a, 28-2a, 28-3a, 28-4a, 28-7a, 28-8a, 28-9a, 28-10a, 28-11a, 28-12a, 28-13a, 28-14a, 28-15a, 28-16a through 28-27a --  
Please see the criteria described in the corresponding finding in the GAO finding section.
3. Condition--Same as above.
4. Amount of questioned costs and how they were computed--  
None
5. These findings seem to be entity wide and throughout the entire audit period.
6. Effect--Please see the referral in the Criteria section.
7. Recommendations to prevent future occurrences of the findings include complete management training.
8. FEA officials agree with these findings.

THE HOUSING AUTHORITY OF THE CITY OF FENTON  
FENTON, LOUISIANA

**CORRECTIVE ACTION PLAN**

Our corrective action plan is as follows:

Finding 38-1

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--3-31-2022

Corrective Action Planned--The FFA has timely engaged an auditor for FYE 12-31-2022. We will see that the audit is completed by 3-31-2022.

Finding 38-2

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--1-1-22

Corrective Action Planned--The fee accountant has been filing GASP financial statements since 1-1-22.

Finding 38-3

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--12-31-22

Corrective Action Planned--Construction has been completed and steps have been taken for future construction to follow federal and state laws.

Finding 38-4

Contact Person Responsible for Action--Board Chairperson

Anticipated Completion Date--1-1-22

Corrective Action Planned--Since these findings the FFA has followed federal and state laws on hiring of an Executive Director.

Finding 38-5

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--10-28-2000

Corrective Action Planned--Since the current ED was hired on 10-28-2000 the MIA has used purchase orders and has kept a log to track every purchase order number.

Finding 38-6

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--5-18-01

Corrective Action Planned--The ED is in contact with the HRB in what course of action to follow on this matter.

Finding 38-7

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--5-30-01

Corrective Action Planned--The MIA has applied for and is receiving its operating subsidy for the year 2000. The MIA is in the process of filing the operating budget for the year 2001.

Finding 38-8

Contact Person Responsible for Action--Board of Commissioners

Anticipated Completion Date--3-15-01

Corrective Action Planned--It was the responsibility of the Board that every check have 2 signatures, with that plan being indicative, the fault lies with the Board member signing checks and the board as a whole approving bills and salary for the month. The Board has changed their policy to signing checks once a month as the finances are closely monitored.

Finding 28-9

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--1-1-2003

Corrective Action Planned--Since this finding the Board has adopted an operating budget for the next 3 years. The new ED has internal controls in place so the funds can be monitored on expenditures.

Finding 28-10

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--1-1-99

Corrective Action Planned--Steps have been taken by the new ED to ensure proper filing procedures and the accounting system. This will ensure all financial records are accessible.

Finding 28-11

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--

Corrective Action Planned--The alleged board member has stated that this finding is incorrect in the year that it is being presented. The relative of the board member hired was in the year 2000. The new ED has eliminated all relatives of board members to avoid a conflict of interest.

Finding 28-12

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--1-1-2000

Corrective Action Planned--The PMA has since posted notices at the PMA office, the post office, and the City Hall. Meeting dates posted are six months in advance.

Finding 28-13

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--10-28-2008

Corrective Action Planned--The new ED has implemented a personnel file on each board member along with all certificates of appointments.

Finding 28-14

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--3-30-2009

Corrective Action Planned--The ED has taken the initiative to implement a new inventory list along with a copy for the fee accountants.

Finding 28-15

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--10-28-2008

Corrective Action Planned--The FSA has since filed all TRK and COO/garby reports.

Finding 28-16

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--10-28-2008

Corrective Action Planned--the Board has in place the proper documents for the ED to sign in and out for her time spent at the office.

Finding 28-17

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--10-28-2008

Corrective Action Planned--Since the hiring of the new ED, she has used the proper State exempt form on purchases being made for the FSA.

Finding 98-18

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--4-30-2001

Corrective Action Planned--The SNA is in the process of getting the information to see if an adjustment of the allowance should be higher or lower.

Finding 98-19

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--6-15-2001

Corrective Action Planned--With the training from Correll Technologies the board has adopted a maintenance plan.

Finding 98-20

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--10-28-2001

Corrective Action Planned--The new ED has maintained a manual waiting list since being hired.

Finding 98-21

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--6-1-2001

Corrective Action Planned--The tenant files to this date have all appropriate documentation that proves a true rental payment.

Finding 98-22

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--10-2000

Corrective Action Planned--The SNA accepted the resignation of the former ED and has since posted monthly financial records.

Finding 22-23

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--10-28-2020

Corrective Action Planned--The board has adopted new policies for themselves and the new ED to follow. The new ED has reorganized the internal controls and the filing system along with a resolution to collect rental payments.

Finding 23-24

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--12-28-2020

Corrective Action Planned--The PMA has since registered all payments, security deposits, etc. on a rental register with the posting of a pre numbered receipt. The PMA has accounted for all invoices paid or services rendered.

Finding 24-25

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--10-28-2020

Corrective Action Planned--All residents with back rents have a signed rental agreement with the PMA to repay monthly on monies owed to the PMA. The board has also set a policy requiring every tenant late paying rent automatically be charged a late fee.

Finding 25-26

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--6-1-2020

Corrective Action Planned--All policies listed in this finding have been adopted in the year 2020.



Finding 28-22

Contact Person Responsible for Action--Vanessa Lee

Anticipated completion date--3-26-2001

Corrective Action Planned--The PMA has located a copy of the cooperation agreement. We will study it to verify that it is being followed.

Finding 28-23

Contact Person Responsible for Action--Vanessa Lee

Anticipated Completion Date--6-1-2000

Corrective Action Planned--The board has had regular scheduled meetings once a month with signatures of the ED and 1 board member. It is also posted for public viewing.