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HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA

FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2009

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: 4 28 2010

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Members

American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael S. Shum, CPA
Walter J. Tervalon, Jr., CPA
Walter J. Woods, Jr., CPA
Paul K. Hodson, Sr., CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the City of Denham Springs
Denham Springs, Louisiana

We have audited the accompanying financial statements of the **Housing Authority of the City of Denham Springs (HACDS)**, as of and for the year ended September 30, 2003, as listed in the Table of Contents. These financial statements are the responsibility of HACDS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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.

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

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Commissioners
Housing Authority of the City of Denham Springs
Denham Springs, Louisiana
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In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2004, on our consideration of HACBS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit. Also, this report contained an instance of non-compliance and reportable conditions.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 12, 2004

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
BALANCE SHEET--ENTERPRISE FUND
SEPTEMBER 30, 2003

ASSETS

Cash (NOTE 2)	\$193,959
Amounts receivable (NOTE 6)	57,518
Prepaid expenses	7,151
Investments (NOTE 4)	133,987
Land, structures and equipment, net (NOTES 3, 5 AND 11)	552,713
Total assets	<u>\$945,328</u>

LIABILITIES AND EQUITY

Liabilities:

Amounts and other payable	\$ 9,141
Compensated absences payable	10,307
Security deposits held for tenants (NOTE 2)	5,325
Accrued payment in lieu of taxes	<u>8,215</u>
Total liabilities	<u>33,088</u>

Equity:

Contributed capital (NOTE 5)	626,036
Retained earnings:	
Unreserved retained earnings	248,214
Total equity	<u>872,240</u>
Total liabilities and equity	<u>\$945,328</u>

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

HOUSING AUTHORITY OF THE CITY OF BENHAM SPRINGS
 BENHAM SPRING, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS—ENTERPRISE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Operating Revenues:	
Dwelling rental	\$ 90,852
Fees and charges	<u>4,298</u>
Total operating revenues	<u>95,150</u>
Operating Expenses:	
Salaries and employee benefits	193,207
Repairs and maintenance	8,099
Contractual services	21,766
Utilities	11,893
Depreciation	93,280
Insurance	20,350
Housing assistance payments	494,232
Payment in lieu of taxes	8,213
Convention and travel	8,198
Tenant services	1,751
General	<u>12,855</u>
Total operating expenses	<u>785,151</u>
Operating loss	<u>(618,000)</u>
Non-operating Revenues:	
Grants and subsidies	590,664
Interest income	3,684
Other	<u>4,012</u>
Total non-operating revenue	<u>598,360</u>
Net loss before other financing sources (net)	<u>(91,640)</u>
Other financing sources (net):	
Operating transfer to	7,695
Operating transfer out	<u>(17,635)</u>
Net loss	<u>(91,640)</u>
Retained earnings, beginning of year	<u>227,836</u>
Retained earnings, end of year	<u>\$ 248,214</u>

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

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
STATEMENT OF CASH FLOWS—ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Opening less	\$(418,808)
Adjustments to reconcile operating less to net cash used in operating activities:	
Depreciation	91,388
Increase in accounts receivable	(14,232)
Increase in prepaid expenses	(2,798)
Decrease in accounts and other payable	(72,877)
Increase in compensated absences payable	818
Increase in security deposits held for tenants	172
Increase in accrued payment in lieu of taxes	<u>8,212</u>
Net cash used in operating activities	(345,899)
Cash Flows from Investing Activities:	
Interest received	3,684
Purchase of investments	<u>(132,882)</u>
Net cash used in investing activities	(129,198)
Cash Flows from Noncapital Financing Activities:	
Subsidies from Federal grants	360,664
Other	<u>4,819</u>
Cash provided by noncapital financing activities	<u>365,483</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of fixed assets	(45,815)
Other changes	<u>3,222</u>
Net cash used in capital and related financing activities	<u>(42,593)</u>
Net decrease in cash	(153,109)
Cash, beginning of year	<u>387,698</u>
Cash, end of year	\$ 131,522
Interest paid for the fiscal year-ended September 30, 2003	\$ <u> 0</u>

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

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Background and General Data

Background

The Housing Authority of the City of Denham Spring (HACDS) 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. HACDS has been contracted by HUD to administer the Low-Rent and Housing Choice Voucher Program respectively under Annual Contributions Contracts.

As of September 30, 2003, HACDS was primarily engaged in the administration of Low-Rent and Housing Choice Voucher Programs to low-income residents in Denham Springs, Louisiana.

Under the Low-Rent Program, HACDS provides eligible families housing under leasing arrangements. For the Housing Choice Voucher Program, HACDS provides funds in the form of rental subsidies to owners on behalf of the tenants.

Financial Reporting Entity

HACDS 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 Denham Springs.

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 THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued

Financial Reporting Entity, Continued

HACDS 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 HACDS is a financial reporting entity within the meaning of the provisions of GASB 14.

Basis of Presentation

As required by Louisiana State Reporting Law (LSA-RS 24:514) and HUD regulations, the financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The accounts of HACDS are accounted for under the proprietary fund. Accordingly, the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America 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 as the liabilities are incurred. HACDS applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. HACDS's proprietary 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 THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued

Under the provisions of GASB 33 (Accounting and Financial Reporting for Non-Exchange Transactions) effective for fiscal years that began after June 15, 2000, HACDS recognizes assets, liabilities, revenues and expenses under its government-mandated and voluntary non-exchange transactions as follows:

- HACDS recognizes assets and liabilities when all applicable eligibility requirements are met or resources received whichever is first;
- Revenue and expenses are recognized when all applicable eligibility requirements are met;
- For transactions with time requirement(s), resources received prior to the satisfaction of the time requirement(s) are recorded as deferred revenue; and
- Transactions with no time requirement(s) are recorded by HACDS as revenue upon award.

Budget

HACDS prepares an annual budget for its proprietary fund. Prior to the beginning of the fiscal year October 1, the annual budget is approved by the Board of Commissioners. Also, budgetary amendments require approval by the Board. HACDS does not present its budget to actual comparison for the enterprise fund as part of its financial statement as accounting principles generally accepted in the United States of America do not require such, despite adoption of an annual budget by the Board.

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued

Estimates

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

Statement of Cash Flows

For purposes of the statement of cash flows, HAADS 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 THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and General Data, Continued

Land, Structures and Equipment, Continued

Structures and equipment with a cost of \$1,000 or more are capitalized and are depreciated in the enterprise fund of HACDS using the following estimated useful lives:

Assets	Estimated Useful Lives in Years
Building	33
Building improvements	15
Equipment	3-7

Compensated Absences

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

The cost of current leave privileges computed in accordance with GASB Codification Section C80, is recognized as a current-year expense in the enterprise fund when leave is earned.

Interprogram Activities

All interprogram transactions, except quasi-external transactions, advances and reimbursements are reported as transfers. Nonrecuring and permanent transfers of equity are reported as residual equity transfers. All other interprogram transfers are reported as operating transfers and recognized at the time the underlying event occurs. Interprogram activities are netted at the combined financial statements level.

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Background and General Data, Continued

Component Unit

HACDS formed in April 2000, a nonprofit organization to further its provision of low income housing activities. The organization has been dormant since its inception and its completed application for a 501(c)3 exemption status is currently outstanding.

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 data.

NOTE 2 - Cash:

At September 30, 2003, HACDS's cash consisted of the following:

<u>Description</u>	<u>Rate(%)</u>	<u>Carrying Value</u>	<u>Approximate Market Value</u>
Cash and Money Fund	.90	\$107,353	\$107,353
Cash and Money Fund	.50	7,587	7,587
Cash and Money Fund	.30	1,321	1,321
Cash	N/A	<u>32,718</u>	<u>32,718</u>
Total		<u>\$153,959</u>	<u>\$153,959</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/or 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 HACDS.

**HOUSING AUTHORITY OF THE CITY OF BENHAM SPRINGS
 BENHAM SPRINGS, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Cash, Continued:

At September 30, 2003, the carrying amount of HACDS's cash deposits was \$153,959 and the cumulative bank balance was \$174,047. The bank balances are covered by federal depository insurance and/or collateral held by the pledging institutions' agent in HACDS's name.

Cash is categorized as Category 1. Category 1 represents cash loaned or collateralized with securities held by the pledging financial institution's trust department or agent in HACDS's name.

Included in cash is \$5,525 of trust security deposits.

NOTE 3 - Land, Structures and Equipment:

As of September 30, 2003, land, structures and equipment consisted of the following:

	Balance, As Previously Reported September 30, 2002	Additions	Other Changes	Balance September 30, 2003
Land	\$ 17,200	\$ -0-	\$ -0-	\$ 17,200
Buildings and building improvements	2,671,975	-0-	(6,211)	2,665,764
Equipment	100,880	12,279	2,988	116,147
Construction in progress	-0-	30,336	-0-	30,336
Sub-total	2,790,061	42,615	(3,223)	2,834,451
Less accumulated depreciation	(2,186,453)	(28,385)	-0-	(2,214,838)
Total	<u>\$ 603,608</u>	<u>\$44,230</u>	<u>\$3,223</u>	<u>\$ 651,061</u>

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Investments:

At September 30, 2003, investments consisted of certificates of deposit with interest and maturities as follows:

Description	Carrying Value	Approximate Market Value	Interest Rate (%)	Maturity
Certificate of deposit	\$ 33,577	\$ 33,577	.89	10/28/03
Certificate of deposit	71,736	71,736	3.13	09/12/04
Certificate of deposit	<u>28,634</u>	<u>28,634</u>	1.10	11/17/03
Total	<u>\$133,947</u>	<u>\$133,947</u>		

The investments are covered by federal depository insurance and/or collateral held by the pledging institution's agent in HACDS's name.

NOTE 5 - Contributed Capital:

At September 30, 2003, contributed capital consisted primarily of reclassification of HUD guaranteed debt previously recorded on the books of HACDS, payable by HUD and secured by annual contributions. The debt does not constitute an obligation of HACDS and accordingly has not been reported in the accompanying financial statements. Contributed capital also includes the net of accumulated expenses, grants and subsidies of HACDS. An analysis of contributed capital follows:

Balance, As Previously Reported October 1, 2002	Net Additions	Balance September 30, 2003
<u>\$626,026</u>	<u>\$-0-</u>	<u>\$626,026</u>

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - Amounts Receivable:

At September 30, 2003, amounts receivable consisted of the following:

Amounts receivable - HUD	346,732
Amounts receivable - tenants	276
Amounts receivable - other	<u>10,490</u>
Sub-total	57,518
Less: allowance for doubtful accounts	<u> 0</u>
Total	<u>\$57,518</u>

NOTE 8 - Retirement System:

Plan Description

HACDS participates in a defined contribution plan through the Louisiana Housing Council Group Retirement Plan. The Housing Authority of the City of Denham Springs' Plan is authorized and may be amended by the Board of Commissioners.

Plan Funding

Funding for the plan is through a contribution of 8% and 6% by HACDS and its employees, respectively. The contribution amount is based on the employee's base salary each month.

HOUSING AUTHORITY OF CITY OF DENHAM SPRINGS
DENHAM SPRINGS LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Retirement System, Continued:

Plan Funding, Continued

HACDS's gross payroll for participating employees for the year ended September 30, 2003, was \$81,340. HACDS and employee contributions made using base salary amounted to \$4,769 and \$4,636, respectively.

NOTE 8 - Risk Management:

HACDS is exposed to various risks of loss related to torts, theft, damage to and destruction of assets for which HACDS 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 9 - Concentration of Credit Risk:

HACDS receives primarily all of its revenues from dwelling rentals and HUD. If the amount of revenues received from both dwelling rentals and HUD falls below contract levels, HACDS's operating results could be adversely affected.

NOTE 10 - Contingencies:

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

At September 30, 2003, HACDS is involved in a litigation with a former tenant. At September 30, 2003 and March 12, 2004, it is the opinion of HACDS's attorney that HACDS's exposure, if any, is undeterminable.

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 11 - Commitments:

At September 30, 2003, HACDS has executed agreements with HUD totaling \$243,221 for various modernization projects in progress. Balance of funds remaining at September 30, 2003, was \$201,930.

NOTE 12 - Related Party:

HACDS shares its main office building with an entity for which a member of management for HACDS is a hired consultant. As further discussed in Finding Number 2000-02, there is no formal agreement regarding the use of the building and facilities. At September 30, 2003, we are unable to determine the value of the facilities and related services, as applicable provided by either party.

SUPPLEMENTARY INFORMATION



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Walter J. Tervalon, Jr., CPA
Walter A. Morris, Jr., CPA
Paul R. Ansel, Sr., CPA

**INDEPENDENT AUDITORS' REPORT
ON
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners
Housing Authority of the City of Denham Springs
Denham Springs, Louisiana

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

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, *Audit 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 stated in all material respects in relation to the financial statements taken as a whole.

The supplementary information (Schedules II, III, IV, and V) which is prepared in accordance with accounting principles generally accepted in the United States of America, 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 is prepared in accordance with accounting principles generally accepted in the United States of America, 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.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 12, 2004

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
COMBINED BALANCE SHEET--ENTERPRISE FUND
SEPTEMBER 30, 2003

	Low Rent Public Housing Program	Housing Choice Voucher Program	Capital Fund Program	Total (Memorandum Debt)
ASSETS				
Cash	\$ 36,035	\$ 37,924	\$ -0-	\$ 73,959
Accounts receivable	791	36,424	20,291	97,516
Prepaid expenses	3,547	3,604	-0-	7,151
Investments	135,965	-0-	-0-	135,965
Due from other funds	45,947	-0-	-0-	45,947
Land, structures and equipment, net	457,365	8,182	86,363	551,910
Total assets	\$1,036,070	\$126,148	\$107,014	\$1,269,232
LIABILITIES AND EQUITY				
Liabilities:				
Accounts and other payables	\$ 9,141	\$ -0-	\$ -0-	\$ 9,141
Compensated absences payable	5,971	4,326	-0-	10,297
Society deposits held for tenants	5,325	-0-	-0-	5,325
Accrued payments in lieu of taxes	8,315	-0-	-0-	8,315
Due to other funds	-0-	23,636	28,291	52,927
Total liabilities	28,752	28,662	28,291	85,705

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
COMBINED BALANCE SHEET—ENTERPRISE FUNDS (CONTINUED)
SEPTEMBER 30, 2000

	Low Rent Public Housing Program	Housing Choice Voucher Program	Capital Fund Program	Total (Miscellaneous Data)
Equity:				
Contributed capital	\$636,026	\$ -	\$ -	\$636,026
Retained earnings:				
Unreserved retained earnings	<u>81,294</u>	<u>98,157</u>	<u>86,301</u>	<u>265,752</u>
Total equity	687,320	98,157	86,301	871,778
Total liabilities and equity	<u>874,872</u>	<u>813,169</u>	<u>810,854</u>	<u>2,498,895</u>

See Independent Auditor's Report on Supplementary Information.

**HOUSING ACTIVITY OF THE CITY OF DEERLAMB SPRINGS
DEERLAMB SPRINGS, ARIZONA
COMPARING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RESERVED RESOURCES—ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Low Rent Public Housing Revenues	Housing Choice Voucher Credits	Capital Fund Revenues	Total (Microeconomic Only)
Operating Revenues:				
Dwelling rental	\$ 93,812	\$ -	\$ -	\$ 93,812
Fees and charges	<u>4,255</u>	<u>-</u>	<u>-</u>	<u>4,255</u>
Total operating revenues	\$98,067	\$ -	\$ -	\$98,067
Operating Expenses:				
Salaries and employee benefits	56,446	46,894	-	103,340
Repairs and maintenance	8,855	-	-	8,855
Contracted services	26,216	4,935	-	31,151
Utilities	11,893	-	-	11,893
Depreciation	65,546	5,423	3,416	74,385
Insurance	13,817	6,433	-	20,250
Renting assistance payments	-	466,212	-	466,212
Payments in lieu of taxes	6,215	-	-	6,215
Construction and interest	8,044	65	-	8,109
Tenant services	1,211	-	-	1,211
General	<u>10,432</u>	<u>5,932</u>	<u>-</u>	<u>16,364</u>
Total operating expenses	\$150,562	\$479,514	\$4,816	\$634,892
Operating loss	\$52,495	\$479,514	\$4,816	\$536,825

See Independent Auditor's Report on Supplementary Information.

HOUSING ACTIVITIES OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
COMPREHENSIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS—POSTPONED FUNDS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Low-Rent Public Housing Revenues	Renting Choice Vouchers/Programs	Capital Fund Revenues	Total (Miscellaneous/Other)
Non-operating Revenues:				
Grants and subsidies	\$ 24,775	\$475,111	154,759	1,064,664
Interest Income	2,925	758	-6	3,684
Other	<u>4,613</u>	<u>-6</u>	<u>2,528</u>	<u>4,035</u>
Total non-operating revenues	24,775	475,869	154,753	988,587
Net Income (Loss) before other financing sources (loss)	(17,488)	1,894	23,968	(61,442)
Other financing sources (use):				
Operating transfers in	1,609	-6	-6	1,003
Operating transfers out	<u>-6</u>	<u>-6</u>	<u>(3,653)</u>	<u>(3,659)</u>
Net Income (Loss)	(14,005)	1,882	20,209	(9,140)
Retained earnings, beginning of year	11,864	95,351	48,791	187,855
Equity transfers in (out)	<u>3,312</u>	<u>-6</u>	<u>(9,321)</u>	<u>-6</u>
Retained earnings, end of year	<u>\$ 1,171</u>	<u>\$ 93,476</u>	<u>\$ 39,679</u>	<u>\$ 284,714</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE I

**HOUSING AUTHORITY OF THE CITY OF BENTHAM SPRINGS
BENTHAM SPRINGS, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Federal Charter	CFDA Number	Federal Expenditures
Program funded by the U.S. Department of Housing and Urban Development		
Subject to Annual Contributions Contract		
Low-Rent Public Housing Program	14.856a	\$ 50,773
Housing Choice Voucher Program	*14.871	403,111
Public Housing Capital Fund Program	14.872	<u>34,288</u>
Total		\$458,172

*Denotes major program as defined by OMB Circular A-113.

NOTE: Basis of Documentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of HHA-CT06 and is presented on an accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-113, *Basis of Data, Local Governments and Non-Profit Organizations*.

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF MEMPHIS SPENDS
MEMPHIS SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULE - COMBING BALANCE SHEET
SEPTEMBER 30, 2003

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW COST PUBLIC HOUSING PROGRAM	PUBLIC HOUSING CAPITAL FUND PROGRAM	HOUSING CHOICE WORKER PROGRAM	TOTAL MEMPHIS SPENDS
110	Cash - restricted	\$79,119	\$	\$7,034	\$86,153
114	Cash - bond security deposits	3,123	0	0	3,123
118	Trial cash	26,655	0	7,034	33,689
122	Accounts receivable - (FTE) other projects	0	26,291	26,481	52,772
123	Accounts receivable - initial financing	340	0	9,975	10,315
126	Accounts receivable - grants	278	0	0	278
129	Accrued interest receivable	12	0	0	12
130	Total receivables, net of allowances for doubtful accounts	791	26,291	36,486	62,568

See Independent Auditors' Report on Supplementary Information.

SCHEDULE I
Page 1 of 4

HOUSING AUTHORITY OF THE CITY OF BOSSUM SPRING
BOSSUM SPRING, LOUISIANA
FINANCIAL STATE SCHEDULE—COMBINED BALANCE SHEET, CONTINUED
SEPTEMBER 30, 2001

LEGISLATIVE ACCOUNT DESCRIPTION	LOW INCOME PUBLIC HOUSING PROGRAM				PUBLIC HOUSING CAPITAL FUND PROGRAM		HOUSING CHOICE VOUCHER PROGRAM		TOTAL ASSESSMENT (\$000)
	\$	\$	\$	\$	\$	\$	\$	\$	
01 Investments - restricted	131,987	-	-	-	-	-	-	131,987	
02 Prepaid expenses and other assets	1,547	-	-	-	-	-	1,547		
04 Intangible assets	41,241	-	-	-	-	-	41,241		
05 Total current assets	174,775	20,221	20,221	17,286	-	-	232,503		
06 Land	71,289	-	-	-	-	-	71,289		
07 Buildings	1,681,521	71,243	71,243	-	-	-	1,752,764		
08 Furniture, equipment & machinery - depreciable	21,000	-	-	-	-	-	21,000		
09 Furniture, equipment & machinery - nondepreciable	61,789	-	-	21,421	-	-	83,210		
10 Leasehold improvements	-	-	-	-	-	-	-		
11 Accumulated depreciation	(1,284,679)	(1,016)	(1,016)	(11,286)	-	-	(1,306,981)		
12 Construction in progress	-	-	21,025	-	-	-	21,025		
13 Total fixed assets, net of accumulated depreciation	452,365	69,263	69,263	8,135	-	-	529,763		
14 Total net current assets	452,365	69,263	69,263	8,135	-	-	529,763		
15 Total assets	1,174,652	138,526	138,526	16,276	-	-	1,437,454		

See Independent Auditor's Report on Supplementary Information

HOUSING AUTHORITY OF THE CITY OF DENVER SPRINGS
DENVER SPRINGS, COLORADO
FINANCIAL DATA SCHEDULE—COMPARING BALANCE SHEET, CONTINUED
SEPTEMBER 30, 2003

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING PROGRAM	PUBLIC HOUSING CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHER PROGRAM	TOTAL MEMORANDUM CALL
312	Accounts payable - 90 days	\$ 4,746	\$ -	\$ -	\$ 4,746
311	Accrued unpaid payroll taxes payable	462	-	-	462
312	Accrued compensated absences-current portion	1,292	-	1,149	2,441
313	Accounts payable - other	4,115	-	-	4,115
344	Tenant security deposits	9,319	-	-	9,319
347	Impairment plan B	-	23,251	23,419	46,670
310	Total current liabilities	16,812	23,251	24,518	64,581
352	Noncurrent liabilities - other	-	-	-	-
354	Accrued compensated absences-noncurrent	4,172	-	3,119	7,291
358	Total noncurrent liabilities	4,172	-	3,119	7,291
368	Total liabilities	20,984	23,251	27,637	71,872
584	Net HUD PHA contribution	624,028	-	-	624,028
588	Total restricted capital	624,028	-	-	624,028

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF MONROE SPRINGS
 MONROE SPRINGS, LOUISIANA
 FINANCIAL DATA SCHEDULE - COMBINED BALANCE SHEET, CONTINUED
 SEPTEMBER 30, 2001

LINE ITEM NO.	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING PROGRAM	PUBLIC HOUSING CAPITAL FUNDS PROGRAM	HOUSING CHOICE VOUCHER PROGRAM	TOTAL (SUBTOTALS)
512	Undepreciated fixed administrative equipment (net)	1,612,284	1,667,780	1,861,157	5,141,221
513	Total equity	871,528	862,203	861,127	2,595,258
580	Total liabilities and equity	2,483,812	2,523,983	2,722,284	7,730,061

See Independent Auditor's Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF BOSSMAN SPRINGS
 BESSMAN SPRINGS, LOUISIANA
 FINANCIAL DATA SCHEDULE - COMBINED STATEMENT OF REVENUES AND EXPENSES
 FOR THE YEAR ENDED SEPTEMBER 30, 2003

LEGISLATION NO. ACCOUNT DESCRIPTION	LOW INCOME PUBLIC HOUSING PROGRAM	PUBLIC HOUSING CAPITAL FUND PROGRAM	HOUSING CHOICE VOUCHER PROGRAM	TOTAL (MEMORANDUM DOLLAR)
700	Mid level rental revenue	\$ 0.00	\$ 0.00	\$ 0.00
704	Total revenue - other	-4,286	-0.	-4,286
705	Total total revenue	\$0.00	0.	\$0.00
706	BLD PIA operating gains	90,771	7,805	98,576
706.1	Capital gains	0.	17,123	17,123
711	Investment income - appreciated	2,901	0.	2,901
715	Other revenue	-1,001	2,986	1,985
700	Total revenue	\$1,071	\$1,269	\$2,340

See Independent Auditors' Report on Supplementary Information

**HOUSING ACTIVITIES OF THE CITY OF MONROE SPRINGS
MONROE SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULE—COMBINED STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

USE ITEM NO.	ACCOUNT DESCRIPTIONS	LOW INCOME PUBLIC HOUSING PROGRAM	PUBLIC HOUSING CAPITAL FUND PROGRAM	HOUSING CERTIFIC- VOUCHER PROGRAM	TOTAL PARAMETERISM ONLY
911	Administrative salaries	185,775	0	198,137	185,775
912	Auditing fee	3,947	0	1,000	4,947
914	Comptroller's fees	495	0	124	619
915	Employee benefits membership- administrative	3,900	0	0	3,900
916	Other operating-administrative	15,152	0	3,958	19,062
902	Recreation costs	5,150	0	0	5,150
903	Water	5,218	0	0	5,218
904	Electricity	8,427	0	0	8,427
905	Gas	568	0	0	568
906	Other utilities expense	308	0	0	308
941	Ordinary maintenance and operations- labor	26,108	0	0	26,108
	Page total	25,034	0	11,251	13,783

See Independent Auditor's Report on Supplementary Information.

INCOMING ATTRIBUTES OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULE—COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

LINE ITEM NO.	DESCRIPTION	LOW REENT PUBLIC HOUSING PROGRAM	PUBLIC HOUSING CAPITAL FUND PROGRAM	HOUSING CHECKS VOUCHER PROGRAM	TOTAL (MEMORANDUM ONLY)
942	Ordinary maintenance and operations- materials and other	\$ 8,093	\$ -	\$ -	\$ 8,093
943	Ordinary maintenance and operations- contract work	12,287	-	-	12,287
945	Employee benefit contributions- ordinary maintenance	4,940	-	-	4,940
944	Insurance/premiums	13,877	-	4,478	18,355
946	Other general expenses	19,239	-	5,099	24,338
947	Payment in lieu of taxes	8,212	-	-	8,212
949	Total operating expenses	145,831	-	56,419	202,250
979	Excess (deficiency) of operating revenues over operating expenses	8,428	53,566	41,263	103,257

See Independent Auditor's Report on Supplementary Information

**HOUSING AUTHORITY OF THE CITY OF BERNARD SPRINGS
DOMAN SPRINGS, LOUISIANA
FINANCIAL DATA SCHEDULE—COMBINED STATEMENT OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

LINE ITEM NO. ACCOUNT DESCRIPTION	LOW REENT PUBLIC HOUSING PROGRAM	PUBLIC HOUSING CAPITAL FUND PROGRAM	HOUSING CHURCH VOLUNTEER PROGRAM	TOTAL MEMORANDUM (541.1)
971	4	4		844,531
974	<u>81,246</u>	<u>3,024</u>		<u>81,270</u>
980	233,281	3,126	411,924	288,331
994	7,913	4	4	1,653
995	<u>4</u>	<u>0,650</u>		<u>0,650</u>
998	<u>925,531</u>	<u>98,582</u>	<u>9,186</u>	<u>933,299</u>
	933,535	98,721	9,290	941,546
1100	<u>9,315</u>			<u>9,315</u>
1104		<u>95,520</u>		<u>95,520</u>

See Independent Auditor's Report on Supplementary Information.

SCHEDULE IV

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA**

STATEMENT OF CAPITAL FUND PROGRAM-(COMPLETED)

From Inception through September 30, 2003

LA 48P101501-00

Funds approved	\$ 85,987
Funds expended	<u>(85,987)</u>
Excess (deficiency) of funds approved	\$ <u>0</u>
Funds advanced:	
Grant funding	\$ <u>85,987</u>
Total funds advanced	<u>85,987</u>
Funds expended	<u>(85,987)</u>
Excess (deficiency) of funds advanced	\$ <u>0</u>

NOTE: The costs as shown on the Actual Modernization Cost Certificate for LA-48P101501-00 dated March 10, 2003 and submitted to HUD for approval are in agreement with HACBS's records and all cost and liabilities associated with it have been paid.

See Independent Auditor's Report on Supplementary Information.

SCHEDULE E

**HOUSING AUTHORITY OF THE CITY OF BENAMIAM SPRINGS,
BENAMIAM SPRINGS, LOUISIANA**

STATEMENT OF CAPITAL FUND PROGRAM--INCOMPLETE

From inception through September 30, 2000

	LA-48P04500-00	LA-48P10190-00	LA-48P101900-00	TOTAL
Funds approved	\$ 87,704	\$86,485	\$69,062	\$243,251
Funds expended	(61,281)	—	—	(61,281)
Excess (deficiency) of funds approved	<u>\$ 46,423</u>	<u>\$86,485</u>	<u>\$69,062</u>	<u>\$201,970</u>
Funds advanced: Grant funding	\$ 21,900	\$ —	\$ —	\$ 21,900
Total funds advanced	21,900	—	—	21,900
Funds expended	(61,281)	—	—	(61,281)
Excess (deficiency) of funds advanced	<u>\$ (39,381)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (39,381)</u>

See Independent Auditors' Report on Supplementary Information.

**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**

To the Board of Commissioners
Housing Authority of the City of Denham Springs
Denham Springs, Louisiana

We have audited the financial statements of **Housing Authority of the City of Denham Springs (HACDS)** as of and for the year ended September 30, 2003, and have issued our report thereon dated March 12, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether HACDS'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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 HACDS'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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. A reportable condition involves 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 HACDS's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Summary Schedule of Findings and Questioned Costs as item 2003-04.

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 believe that the reportable condition described above is not a material weakness.

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, HACTDS'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 12, 2004

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

To the Board of Commissioners
Housing Authority of the City of Denham Springs
Denham Springs, Louisiana

Compliance

We have audited the compliance of Housing Authority of the City of Denham Springs (HACDS) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended September 30, 2003. HACDS's major federal program is identified in the Summary of Auditor's Results section of the accompanying Summary Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of HACDS's management. Our responsibility is to express an opinion on HACDS's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and

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)

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 HACDS'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 HACDS's compliance with those requirements.

In our opinion, HACDS complied, in all material respects, with the requirements previously referred to that are applicable to its major federal program for the year ended September 30, 2003. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Summary Schedule of Findings and Questioned Costs as item 2003-02.

Internal Control Over Compliance

The management of HACDS 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 HACDS'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 a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. A reportable condition involves 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 HACDS's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Summary Schedule of Findings and Questioned Costs as item 2003-03.

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 the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of the Board of Commissioners, HACDS'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. Under Louisiana Revised Statute 24:513 this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 12, 2004

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Reportable condition (s) identified that are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? No
- 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: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 310(a) of Circular A-133? Yes

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.871	Housing Choice Voucher Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? No

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Section II - Financial Statement Findings and Questioned Costs

Reference Number

2003-01

Criteria

The management of HACDS is responsible for establishing and maintaining an effective internal control to ensure compliance with board directives, laws, regulations and program requirements.

Condition

The operation of HACDS's internal control over financial reporting exhibited the following deficiencies:

- On occasion non-HACDS employees collect rent on behalf of HACDS (HACDS shares office space with another entity).
- We observed during our audit fieldwork that rent collections held on hand prior to deposit in a financial institution, are not contained in a secured lockbox or drawer at all times. Also, we noted that the drawer used by HACDS has a key to secure it, and
- Noted that the Voucher Program bank account had several checks written out of numerical sequence.

Effect

Potential for misappropriation of assets and resulting financial statement misstatement.

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Section II - Financial Statement Findings and Questioned Costs, Continued

Reference Number, Continued

2003-01

Cause

Lack of an effective control system to ensure the completeness and oversight in all aspects of HACS's internal control.

Recommendation

Management should re-evaluate its current internal control with an aim towards improving existing procedures and processes regarding custody of funds, risks associated with the use of non-employees in its rent collection process and accountability in the use of checks in an effort to minimize the potential risk of loss from misappropriation.

Management's Response

Credit Union employees accept and place in a lock drawer sealed envelopes from tenants who send rent to the PHA's office. The Secretary on the same day writes the receipt after checking each envelope and makes timely deposit. Management did have an employee who worked as a HA Clerk whose job was to collect rents as well as other assigned Section 8 duties. She quit recently and the PHA is in the process of hiring a new employee. Management anticipates filling the vacancy by no later than May 28, 2004.

Relative to checks written out of order, the PHA Clerk through error pulled the checks out of order. The checks pulled out of order have been accounted for and a copy of the "missing checks" are part of this response for your review.

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Section III - Federal Award Findings and Questioned Costs

Reference Number

2003-02

Federal Program

Housing Choice Voucher Program (See Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to the requirements of the Consolidated Annual Contributions Contract and 24 CFR Parts 812, 813, 887 and 982, as applicable.

Condition

Our review of ten (10) Voucher Program tenant files revealed the following conditions:

- One (1) instance where tenant files examined lacked evidence of "HQS" inspection; and
- One (1) instance where tenant file examined lacked evidence of Form HUD 9886 release form.

Questioned Costs

None.

Effect

Noncompliance with the requirements of the Annual Contributions Contract and 24 CFR Parts 812, 813, 887 and 982, as applicable.

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number, Continued

2003-02

Issue

Lack of adequate tenant file documentation system in place.

Recommendation

Management should re-evaluate its current tenant certification and re-certification processes with an aim towards ensuring the completeness of all tenant files.

Management's Response

Only one (1) file lacked the reviewed evidence of Form 9486. It is apparently misfiled as this document is a part of our certification package and is automatically signed by the tenant when being processed.

Management will make every effort to prevent such occurrences in the future.

HOUSING AUTHORITY OF THE CITY OF BENHAM SPRINGS
BENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number

2003-03

Federal Program

Low Rent Public Housing Program (See Schedule of Expenditures of Federal Awards).

Criteria

Pursuant to 24CFR parts 85 and 980, Form HUD-53723, (Operating Fund Calculation of Subsidy) must be prepared using information in accordance with HUD prescribed procedures and should be maintained subject to HUD's review and approval.

Condition

We were unable to perform audit procedures to test the accuracy of Form HUD-53723, "Operating Fund Calculation of Operating Subsidy" because management was unable to provide documentation to support the previous allowable utilities expense level for the year ended September 30, 1999. It is our understanding through discussion with management that the information was compiled and maintained by its fee accountant, who was unable to locate the information.

Questioned Costs

None.

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Section III - Federal Award Findings and Questioned Costs, Continued

Reference Number, Continued

2003-03

Context

Total federal award received for Low Rent Public Housing Program for the year ended September 30, 2003 was \$50,773.

Effect

Noncompliance with 24CFR parts 83 and 900.

Cause

Lack of an adequate file maintenance system.

Recommendation

We recommend that management maintain documentation used to support all amounts reported for all prepared and/or submitted reports.

Management's Response

Management is currently working with its fee accountant to locate the document.

Anticipated resolution date is May 28, 2004.

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Section IV - Status of Prior Years' Findings and Questioned Costs

Reference Number

2002-01

Condition

Of the twenty-five tenant (25) files tested twenty-five (25) did not contain properly completed Housing Quality Standards (HQS) inspection forms.

Recommendation

Ensure that the HQS inspection forms are properly completed including documenting corrective action or deficiencies noted.

Current Status

See current year Finding Number 2003-02.

**HOUSING AUTHORITY OF THE CITY OF BENHAM SPRINGS
BENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number

2002-02

Condition

HACDS owns and operates a central office. LPEA Federal Credit Union (Credit Union) utilizes office space, equipment, and utilities at HACDS's central office without paying rent (services provided by Credit Union staff affects rent). The Executive Director of HACDS is also an officer of the Credit Union receiving full time salary from HACDS as well as contract compensation for part of the audit period from the Credit Union.

It is our understanding through discussion with management that pending the outcome of the State Ethics Board's report, all compensation has been discontinued.

Recommendation

Discontinue any relationships that potentially violate state law.

Current Status

The State Ethics Board is currently reviewing the condition cited above.

HOUSING AUTHORITY OF THE CITY OF BENHAM SPRINGS
BENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number

2002-03

Condition

The SEMAP submission to HUD was not supported by documentation to substantiate the responses as follows:

Indicators 1, 2, 3 and 6 - HACBS does not have adequate documentation to satisfy the audit requirements concerning quality control samples.

Indicator 5 - HACBS does not have adequate documentation to satisfy audit requirements concerning a sample of re-inspected units.

Recommendation

Document quality control samples and re-inspection of units in conformance with federal regulations.

Current Status

The PHA's SEMAP submission to HUD was supported by documentation to substantiate its quality control samples. The PHA's Director has directed this PHA's Section 8 program for over 20 years and has never been cited for non-compliance of Quality Control. The PHA is in compliance with all indicators listed in the Audit report.

HOUSING AUTHORITY OF THE CITY OF BENHAM SPRINGS
BENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number

2003-04

Condition

This audit is being published later than six (6) months of the HACBS's fiscal year end.

Recommendation

HACBS would be better served if its staff would be more responsive and cooperative during the audit process rather than arguing and objecting to audit inquiries.

Current Status

The September 30, 2003 audit report was submitted to the Legislative auditors' office within the submission timeline requirement dictated by LSA-RS 24:313.

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number

2003-05

Condition

Concerning the employment of the Executive Director of the HACDS, the following conditions exist:

Per Board resolution, 1) the Executive Director position is considered full-time with full-time paid benefits, and 2) the minimum number of hours required is 25 per week. No record of the Executive Director's daily or weekly working time at the HACDS is maintained at all.

Recommendation

Comply with all Federal and State employment laws and regulations.

Current Status

The Auditor cited the PHA for possible violation of the Fair Labor Standards Act (FLSA). The Executive Director is an exempt employee. Because he is management, according to FLSA, he is not subject to this regulation. The PHA has done extensive research on this finding and cannot find where there is any possible violation. The PHA attorney will submit to the Legislative Auditor and HUD information that was received from the U.S. Labor Department which disputes the information contained in the audit relative to FLSA violation.

However, the PHA's Director does keep weekly time sheets in response to this audit report. The PHA is seeking a legal opinion regarding this finding.

HOUSING AUTHORITY OF THE CITY OF BENHAM SPRINGS
BENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number

2002-06

Condition

A review of the 2002 MASS submission of HACDS revealed the following conditions:

Indicator #1 was incorrectly completed. At item V12700, it indicates that HACDS did not lease any units at all during the fiscal year. During the field work management indicated that the HACDS leased 5 units during the fiscal year, in conflict with the submission.

Had HACDS not leased any units during the fiscal year the entries to V12400 and V12500 would have been zero instead of 2,648 each.

HACDS's position is that the 5 units leased during the year were MOD-exempted units until the day that they were leased and that not 1 day was used for Doven Time, Make Ready, and Lease Up for any one of the 5 units leased. The PHA entered zeros for V-12800, V-12900, V-13000 and V-13100. Indicator # 2 states that the PHA expended \$50,987 of CFP funds during the fiscal year, whereas the FS and the DCF indicate the amount to be \$52,437. The PHA was unable to reconcile the difference.

Indicator #4 includes at A10400 that HACDS inspected 44 units (or 100% of non-exempted units) using the Uniform Physical Condition Standards (UPCS) and that none required repairs.

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Section IV - Status of Prior Years' Findings and Questioned Costs, Continued

Reference Number, Continued
2002-06

Condition, Continued

The forms that the HACDS used to document the inspections does not appear to use UFCS.

The response at A11600 indicates that 18 buildings (100%) were inspected using UFCS, none requiring repairs. HACDS did not provide any documentation to support this entry.

Recommendation

None provided in the prior year's audit report performed by another CPA.

Current Status

The management of HACDS disagree with this finding, and is currently under review by HUD.

**HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS
DENHAM SPRINGS, LOUISIANA**

EXIT CONFERENCE

The contents of this report were discussed with management of Housing Authority of the City of Denham Springs and management is in agreement in all material respects. Those persons that participated are as follows:

HOUSING AUTHORITY OF THE CITY OF DENHAM SPRINGS

Mr. Fred Banks -- Executive Director

BRUND & TERVALOS LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Paul K. Ardoh, Sr., CPA, CGFM, MBA -- Partner

Mrs. Latoya B. Thomas, CPA -- Supervisor

Mr. Victor Robinson -- Senior Accountant



DECEMBER 7 2011 10:22

Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael H. Bruno, CPA
Arlene A. Tervalon, J.D., CPA
Walter J. Morel, Jr., CPA
Paul R. Jordan, Sr., CPA

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Commissioners
Housing Authority of the City of Denham Springs
Denham Springs, Louisiana

In planning and performing our audit of financial statements of the **Housing Authority of the City of Denham Springs (HACDS)** as of and for the year ended September 30, 2003, we considered HACDS's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of certain matters that are opportunities for strengthening internal control and improving operating efficiency. We previously reported on HACDS's internal control in our report dated March 12, 2004. This letter does not affect our report dated March 12, 2004, on HACDS's internal control or its financial statements.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with management of HACDS, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

CURRENT YEAR'S COMMENTS

The following summarizes our comments and suggestions concerning those matters:

Condition

HACDS has an outstanding loan receivable of \$9,573 from a related party. As of the date of this letter, there is no executed formal written agreement to document the terms of the loan to include a repayment schedule, interest rate, et cetera.

Recommendation

We recommend that management of HACDS prepare a written agreement or memorandum of understanding that documents the terms of any advances to the entity from HACDS. In addition this agreement should be ratified by the Board of each entity.

Management's Response

The HACDS will comply with the Auditor's recommendation within sixty (60) days.

Condition

HACDS does not have an outstanding check policy to ensure that all checks outstanding for greater than a specified time period, are researched and resolved as deemed necessary.

Recommendation

We recommend that HACDS establish the necessary policies and procedures to properly and timely account for all stale-dated checks.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

CURRENT YEAR'S COMMENTS, CONTINUED

Management's Response

The HACDS will establish a policy that deals with procedures for dealing with state checks.

Condition

Our review of HACDS's cash disbursement cycle revealed the lack of procedures to ensure the mathematical verification of invoices prior to approval for payment. Furthermore, HACDS lacks written procedures to prevent duplicate payment of vendor invoices.

Recommendation

We recommend that HACDS re-visit with its current cash disbursement procedures to ensure that all invoices are mathematically verified prior to approval for payment and establish procedures to prevent the duplicate payment of invoices.

Management's Response

HACDS will revise this policy as it relates to current cash disbursement procedures and implement within 60 days.

Condition

The bank account reconciliations and financial statements prepared by HACDS's for accountant were neither reviewed nor approved by an appropriate member of management.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

Current Year's Comments, Continued

Recommendation

We recommend that management review and approve all work prepared by its fee accountant.

Management's Response

Management will comply with the Auditor's recommendation within sixty (60) days.

Condition

Currently, HACDS does not have an established written policy to facilitate the allocation of shared cost between programs.

Recommendation

We recommend that management establish a written policy to ensure the accurate allocation of shared cost.

Management's Response

HACDS will adopt a written policy to deal with this recommendation by no later than May 28, 2004.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

Current Year's Comments, Continued

Condition

At September 30, 2003, HACDS had cash funds for its "CIAP", Voucher and Low Rent Programs maintained in non-interest earning bank accounts.

Recommendation

We recommend that management review its cash management policy and consider a policy change that will ensure the maximum earnings on all available funds.

Management's Response

Management will adjust the recommended accounts and have the Board adopt a policy to deal with this matter by no later than July 30, 2004.

We wish to thank you and your staff for the support afforded us during our audit.

This report is intended solely for the information and use of the Board of Commissioners, management, the Legislative Auditor for the State of Louisiana and the United States Department of Housing and Urban Development and is not intended to be used and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 12, 2004