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**Housing Authority of the Town of Independence  
Independence, Louisiana**

**Annual Financial Report  
As of and for the Year Ended September 30, 2003**

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. This report is available for public inspection at the State's Budget office or the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/28/2004

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Authority of the Town of Independence  
Independence, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of the Town of Independence, Independence, Louisiana, as of and for the year ended September 30, 2005, as listed in the table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these basic 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 accounts 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority, as of September 30, 2005, the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2004, on our consideration of the Housing Authority'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 our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Housing Authority taken as a whole. The accompanying supplemental information, as listed in the table of contents and the schedule of expenditures of federal awards which is required by U. S. Office of Management and Budget Circular No. 4-73, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Also, the accompanying other information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Green, Huggins & Williamson, LLC*

GREEN, HUGGINS & WILLIAMSON, LLC

Shreveport, Louisiana  
March 31, 2006

## HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

## PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Bellevue Street  
September 30, 2003

Statement A

	<u>TOTAL</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 10,000
Accounts receivable, net	1,000
Prepaid items and other assets	18,000
Inventory	2,000
Restricted Assets:	
Tenant deposits	<u>4,350</u>
Total Current Assets	<u>35,350</u>
<b>Fixed Assets</b>	
Land, buildings, and equipment (net of accumulated depreciation)	<u>1,080,250</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,115,600</u></b>

(CONTINUED)

## HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

## PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Balance Sheet

September 30, 2000

Statement A

	<u>TOTAL</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	\$ 11,758
Accounts wages and payroll taxes payable	1,883
Deferred revenue	293
Compensated absences payable	<u>1,788</u>
Total Current Liabilities	<u>15,722</u>
Current Liabilities Payable From Current Restricted Assets	
Deposits due others	<u>4,300</u>
Total Current Liabilities Payable From Current Restricted Assets	<u>4,300</u>
Noncurrent Liabilities	
Compensated absences payable	<u>1,300</u>
Total Noncurrent Liabilities	<u>1,300</u>
Total Liabilities	<u>21,322</u>
<b>FUND EQUITY</b>	
Contributed capital	844,215
Retained earnings, unrestricted	<u>292,653</u>
TOTAL FUND EQUITY	<u>1,136,868</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,158,190</u>

(00PCL0000)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

## HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

## PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Statement of Revenues, Expenses,  
and Changes in Fund Equity  
For the Year Ended September 30, 2021

Balanced \$

	<u>TOTAL</u>
<b>OPERATING REVENUES</b>	
Dwelling rental	\$ 89,015
Other	<u>159</u>
Total operating revenues	<u>89,174</u>
<b>OPERATING EXPENSES</b>	
Administration	124,766
Tenant activities	48
Utilities	33,940
Ordinary maintenance & operations	73,279
General expenses	26,523
Housing assistance payments	176,740
Depreciation and amortization	<u>153,157</u>
Total operating expenses	<u>628,413</u>
Operating income (Loss)	<u>(539,239)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Federal grants	<u>512,000</u>
Total nonoperating revenues (expenses)	<u>512,000</u>
<b>NET INCOME (Loss) before Contributions</b>	42,040
Depreciation on fixed assets acquired by contribution	<u>128,477</u>
Increases (decreases) in retained savings	81,529
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>81,405</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>241,903</u>
<b>CONTRIBUTED CAPITAL AT BEGINNING OF YEAR</b>	<u>881,000</u>
Depreciation transferred from retained savings	178,477
<b>CONTRIBUTED CAPITAL AT END OF YEAR</b>	<u>1,059,477</u>
<b>FUND EQUITY, END OF YEAR</b>	<u>\$ 1,301,380</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

## HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended September 30, 2002

Statement 8

## CASH FLOWS FROM OPERATING ACTIVITIES:

Operating income (loss)	\$	(470,000)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation and amortization		112,157
Increase (Decrease) in accounts receivables		6,880
Increase (Decrease) in accounts payable		378
Increase (Decrease) in payroll taxes payable		85
Increase (Decrease) in inventory		1,833
Increase (Decrease) in prepaid expenses		(880)
Increase (Decrease) in compensated absences		1,880
Increase (Decrease) in deferred income		280
Increase (Decrease) in short-term deposits		<u>287</u>
Total adjustments		<u>123,493</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		<u>(346,507)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets		(48,116)
Proceeds from federal grants		<u>170,000</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES:		<u>121,884</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(224,623)
CASH AND CASH EQUIVALENTS - BEGINNING		<u>61,924</u>
CASH AND CASH EQUIVALENTS - ENDING	\$	<u>(162,703)</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Housing Authority of the Town of Independence  
Notes to the Basic Financial Statements**

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**Housing Authority of the Town of Independence**  
**Notes to the Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** The accompanying financial statements of the Housing Authority of the Town of Independence (the Housing Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY** Housing authorities are classified as public corporations under the laws (LSA-R.S. 40:59) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the housing authority to function in such city or parish. The Housing Authority of the Town of Independence is governed by a five-member board of commissioners. The members, appointed by the Honorable Mayor of the Town of Independence, serve a staggered term of five years.

The Housing Authority has the following units:

	<u>Percentage</u>
PLA - Owned Housing	28
SECTION 8	
Housing Choice Voucher	20

GASB Statement 34 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is financially independent of other state or local governments. As used in GASB Statement 34, locally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

GASB Statement No. 34 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. According to this definition, the Housing Authority is a related organization of the Town of Independence since the City appoints a voting majority of the Housing Authority's governing board. The City is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefits, or impose financial burdens on, the Town of Independence. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Town of Independence.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected/parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various resident associations which are legally separate entities.

**B. FUNDS** The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fund and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is essential management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the Housing Authority are classified as proprietary.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial objective.

**Housing Authority of the Town of Independence  
Notes to the Basic Financial Statements**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** Proprietary funds are accounted for on the face of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 28, to apply of GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

**D. BUDGETS**

**General Budget Policies** The Housing Authority adopts budgets for all funds. The budget for the Capital Fund Program are multi-year budgets.

ILD approves all budgets for all HUD-related programs. The budget is controlled by fiscal the function level. Budgetary amendments require approval of the governing body.

All appropriations lapse at year-end.

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

Formal budget integration (within the accounting records) is employed as a management control device.

**E. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**F. INVESTMENTS** Investments are limited by U.S. 10,1985 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following, which are reported/presented at par (GASB Statement No. 34):

1. Investments in participating interest-earning contracts, such as negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Housing Authority reported/acquired cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**Definitions:**

Interest-earning investment contract includes time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES** During the course of operations, business transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**Housing Authority of the Town of Independence  
Notes to the Basic Financial Statements**

**H. INVENTORY AND PREPAID ITEMS:** All inventory items are valued at cost using first-in, first-out method. The authority uses a periodic inventory system and accounts for inventory using the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I. FIXED ASSETS:** Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (including salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site Improvements	15 years
Buildings	30 years
Building Improvements	15 Years
Furniture/Equipment	7 Years
Office equipment (other than computers)	3 years
Computers	3 years
Automobiles and trucks	5 years

**J. COMPENSATED ABSENCES:** The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate an unlimited number of annual and sick leave hours. Depending upon their length of service, employees receive payment for up to 100 hours of annual leave hours upon termination or retirement at their then current rate of pay. Sick leave hours accumulate, but the employee is not paid for them if not used by the last retirement or termination date.

**K. FUND EQUITY:** Reserves represent those portions of fund equity that are not appropriate for expenses or legally appropriated for a specific future use.

**L. USE OF 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.

**NOTE 1—DEPOSITS AND INVESTMENTS:** As September 30, 2003, the Housing Authority has cash and cash equivalents (book balances) totaling \$18,141 as follows:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging/fiscal agent bank in a checking or controlled bank that is mutually acceptable to both parties.

At year-end, the Housing Authority's carrying amount of deposits was \$18,141 including restricted deposits of \$4,308, and the bank balance was \$27,433. Of the bank balance, \$27,538 was covered by federal depository insurance.

**NOTE 2—RECEIVABLES:** The receivables of \$1,603, net of allowance for doubtful accounts of \$0, as September 30, 2003, are as follows:

Class of Receivables	Total
Incidents	\$ 35
Others	1,568
Total	<u>\$1,603</u>

**Housing Authority of the Town of Independence  
Notes to the Basic Financial Statements**

**NOTE 4 - FIXED ASSETS:** The changes and balances in fixed assets are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Land	\$ 81,000	\$ 0	\$ 0	\$ 81,000
Landfill improvements	298,887	68,338	0	367,225
Buildings and building improvements	2,943,125	23,716	0	2,966,841
Furniture and equipment	93,208	0	0	93,208
Construction in progress	78,882	78,882	0	157,764
<b>Total</b>	<b>3,884,102</b>	<b>170,936</b>	<b>0</b>	<b>3,955,038</b>
Less accumulated depreciation:				
Landfill improvements	236,558	8,891	0	245,449
Buildings and building improvements	1,908,528	97,850	0	2,006,378
Furniture and equipment	67,823	6,813	0	74,636
<b>Total</b>	<b>2,212,909</b>	<b>113,554</b>	<b>0</b>	<b>2,326,463</b>
<b>Fixed assets, net</b>	<b>\$ 1,671,193</b>	<b>\$ 57,382</b>	<b>\$ 0</b>	<b>\$ 1,728,575</b>

**NOTE 5 - RETIREMENT SYSTEM:** The Housing Authority participates in the Housing Authority and Local Agency Retirement Plan, administered by Broadwell, Bank & Bunn, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, public council agencies, and other similar organizations. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to five percent of each participant's basic (includes overtime) compensation. The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Housing Authority's contributions and interest earned by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended September 30, 2003, was \$64,514. The Housing Authority's contributions were calculated using the base salary amount of \$64,626. Both the Housing Authority and the covered employees made the required contributions of \$11,231 for the year ended September 30, 2003.

**NOTE 6 - ACCRUED WAGES AND PAYROLL TAXES:** The payables at September 30, 2003, are as follows:

Payroll deductions and taxes	\$ 1,463
Compensated absences - short-term	2,526
<b>Total</b>	<b>\$ 3,989</b>

**NOTE 7 - COMPENSATED ABSENCES:** At September 30, 2003, employees of the Housing Authority have accumulated and vested \$4,026 of employee leave benefits, which was computed in accordance with GASB Codification Section 605. These amounts are recorded as liabilities in the Basic from which payment will be made. Following is a summary of the compensated absence transactions for the year:

Balance at beginning of year	\$4,000
Additions	2,743
Deductions	800
<b>Balance at end of year</b>	<b>\$4,943</b>

**Housing Authority of the Town of Independence  
Notes to the Basic Financial Statements**

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

**Construction Projects:** There are certain major construction projects in progress as September 30, 2023. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Grant Disallowances:** The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Litigation:** The Housing Authority is not presently involved in any litigation.

**NOTE 9 - RISK MANAGEMENT:** The Housing Authority is exposed to various risks of loss related to fire, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Housing Authority carries commercial insurance through the Louisiana Housing Council Authorities Group Self-Insurance Trust. This self-insurance program is a public entity risk pool which has been approved by both the State of Louisiana Insurance Commission and the Department of Housing and Urban Development. The Trust operates as any other commercial insurance company. Fire insurance companies currently share the excess coverage insurance. No additional assessment can be made against the Housing Authority. The Housing Authority is responsible only for the premium payments.

**NOTE 10 - RELATED-PARTY TRANSACTIONS:** There were four checks totaling \$399 written to Olin's Café, which is owned by the Executive Director and his spouse. The board members decided to hold five meetings at Olin's Café due to the limited number of dining establishments in the town of Independence.

**NOTE 11 - ECONOMIC DEPENDENCY:** Government of Financial Accounting Standard (SFAS) No. 34 requires disclosure in financial statements of a situation where one entity provides more than 10% of the other entity's revenues. The Department of Housing and Urban Development provided \$212,851 to the Housing Authority, which represents approximately 88% of the Housing Authority's total revenue for the year.

Housing Authority of the Town of Independence

Financial Data Schedule  
For the Year Ended September 30, 2023

Line Item No.	Account Description	Low Rent Public Housing (Hobart)		Public Housing Capital Fund	Total
		Reserve	Reserve	Reserve	
111	Cash – Unrestricted	\$760	\$13,000	\$0	\$13,760
114	Cash Trustee Security Deposits	\$4,000	\$0	\$0	\$4,000
100	Total Cash	\$4,760	\$13,000	\$0	\$17,760
120	Accounts Receivable – HUD Other Projects	\$0	\$0	\$0,000	\$0,000
100	Accounts Receivable – Tenants – Checking Funds	\$00	\$0	\$0	\$00
100.1	Absence of Doubtful Accounts – Checking Funds	\$0	\$0	\$0	\$0
100.2	Absence of Doubtful Accounts – Other	\$0	\$0	\$0	\$0
100	Total Receivables, net of allowance for doubtful accounts	\$00	\$0	\$0,000	\$0,000
140	Prepaid Expenses and Other Assets	\$10,000	\$0	\$0	\$10,000
140	Inventories	\$3,000	\$0	\$0	\$3,000
100.1	Absence of Doubtful Inventories	\$0	\$0	\$0	\$0
140	Interpreting Our Print	\$2,000	\$0	\$00	\$2,000
100	Total Current Assets	\$49,000	\$13,000	\$0,000	\$62,000
101	Land	\$0,000	\$0	\$0	\$0,000
102	Buildings	\$2,000,000	\$0	\$20,000	\$2,020,000
103	Furniture, Equipment & Machinery – Operating	\$40,000	\$0	\$0	\$40,000
103	Furniture, Equipment & Machinery – Administration	\$40,000	\$0	\$0	\$40,000
100	Leased/Improvements	\$200,000	\$0	\$00,000	\$200,000
100	Accumulated Depreciation	(\$1,000,000)	\$0	(\$0,000)	(\$1,000,000)
100	Construction in Progress	\$0	\$0	\$000,000	\$000,000
100	Total Fixed Assets, net of Accumulated Depreciation	\$400,000	\$0	\$200,000	\$600,000
100	Total Non-Current Assets	\$400,000	\$0	\$200,000	\$600,000
100	Total Assets	\$499,000	\$13,000	\$200,000	\$712,000

Housing Authority of the Town of Independence

Financial Data Schedule  
For the Year Ended September 30, 2005

Line Item No.	Account Description	Low Rent Public Housing (Household Units)		Public Housing Capital Fund	Total
		Residents	Residents	Costs	
100	Accounts Payable - 90 Day Cycle	\$1,400	\$0	\$0	\$1,400
101	Accounts Payable/Prepaid Taxes/Payroll	\$1,400	\$0	\$0	\$1,400
102	Annual Compensated Absences - Current Period	\$2,740	\$0	\$0	\$2,740
103	Accounts Payable - 90 Day Programs	\$0	\$1,550	\$0	\$1,550
104	Accounts Payable - Other Government	\$4,037	\$0	\$0	\$4,037
105	Treasury Security Deposits	\$4,050	\$0	\$0	\$4,050
106	Deferred Revenues	\$0	\$0	\$200	\$200
107	Interprogram Due To	\$200	\$20,000	\$7,000	\$27,200
110	Total Current Liabilities	\$15,827	\$20,000	\$7,200	\$43,027
150	Annual Compensated Absences - Non Current	\$0,200	\$0	\$0	\$0,200
160	Total Noncurrent Liabilities	\$0,200	\$0	\$0	\$0,200
190	Total liabilities	\$16,027	\$20,000	\$7,200	\$43,427
200	Retiree/POA Contributions	\$84,213	\$0	\$0	\$84,213
200	Total (Contributed) Assets	\$84,213	\$0	\$0	\$84,213
300	Total Reserve/Fund Balance	\$0	\$0	\$0	\$0
301	Undesignated Fund Balance/Retained Earnings	\$17,307	(\$9,407)	\$24,300	\$32,200
301	Total Equity/Net Assets	\$84,213	(\$9,407)	\$24,300	\$1,087,100
300	Total Liabilities and Equity/Net Assets	\$84,213	(\$9,407)	\$24,300	\$1,102,323

Housing Authority of the Town of Independence

Financial Data Schedule  
For the Year Ended September 30, 2000

Line Item No.	Account Description	Low Rent Public Housing - Choice (2000)	Choice (2000)	Public Housing Capital Fund (2000)	Total
700	Rent Tenant Rental Revenue	\$68,010	\$0	\$0	\$68,010
701	Rent Revenue - Other	\$0	\$0	\$0	\$0
702	Total Tenant Revenue	\$68,010	\$0	\$0	\$68,010
703	HUD PMA Operating Grants	\$112,718	\$108,201	\$84,010	\$304,929
704	Capital Grants	\$0	\$0	\$165,010	\$165,010
705	Other Revenue	\$0	\$0	\$0	\$0
700	Total Revenue	\$180,728	\$108,201	\$249,020	\$537,949



Housing Authority of the Town of Independence

Financial Data - Schedule  
For the Year Ended September 30, 2023

Line Item No.	Account Description	Low-Income Public (Monthly)	Housing Choice (Yearly)	Public Housing Capital Fund (Fiscal)	Total
010	Administrative Salaries	\$23,004	\$18,000	\$0	\$41,004
012	Auditing Fees	\$4,791	\$0,000	\$0	\$4,791
014	Compensated Absences	\$1,886	\$0	\$0	\$1,886
016	Employee Benefit Contributions - Administrative	116,790	\$1,400	\$0	\$118,190
018	Other Operating - Administrative	128,884	\$7,000	\$22,108	\$358,002
020	Tenant Services - Other	\$0	\$0	\$0	\$0
021	Water	\$3,028	\$0	\$0	\$3,028
022	Electricity	\$7,178	\$0	\$0	\$7,178
023	Gas	\$1,147	\$0	\$0	\$1,147
025	Other Utility Expenses	\$10,588	\$0	\$0	\$10,588
040	Ordinary Maintenance and Operations - Labor	\$17,354	\$0	\$0	\$17,354
042	Ordinary Maintenance and Operations - Materials and Other	\$10,174	\$0	\$0	\$10,174
043	Ordinary Maintenance and Operations - Contract Costs	\$28,207	\$0	\$1,640	\$29,847
045	Employee Benefit Contributions - Ordinary Maintenance	\$10,048	\$0	\$0	\$10,048
060	Insurance/Premiums	\$20,048	\$0	\$0	\$20,048
080	Other General Expenses	\$0	\$0	\$0	\$0
090	Payment on Line of Trust	\$4,807	\$0	\$0	\$4,807
099	Total Operating Expenses	\$366,006	\$27,400	\$23,748	\$417,154
070	Revenue-Operating Revenue over Operating Expenses	(\$17,000)	\$17,120	\$19,000	\$19,120
072	Housing Assistance Payments	\$0	\$170,100	\$0	\$170,100
074	Depreciation Expense	\$101,488	\$0	\$0,101	\$101,589
088	Total Expenses	\$464,494	\$441,520	\$23,849	\$929,863
1001	Operating Transfers In	\$10,000	\$0	\$0	\$10,000
1002	Operating Transfers Out	\$0	\$0	(\$10,000)	(\$10,000)
1000	Total Other Financing Sources/(Uses)	\$10,000	\$0	(\$10,000)	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(\$47,000)	\$0	\$19,000	(\$28,000)

Housing Authority of the Town of Ipswich 000000

Financial Data Schedule  
For the Year Ended September 30, 2000

Line Item No.	Account Description	Line Item Public Housing	Residing Outside Ipswich	Public Housing Capital Fund (Receipt)	Total
110	Capital Outlay Enterprise Fund	\$0	\$0	\$0	\$0
110	Belt Principal Payments - Enterprise Fund	\$0	\$0	\$0	\$0
110	Beginning Equity	\$276,885	\$68,995	\$16,887	\$1,142,088
112	Depreciation Adj (Net)	\$138,477	\$0	\$0	\$138,477
112	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$273,814	\$0	\$273,814
114	Provide Maximum Annual Contributions Applicable in a Period of less than Twenty Months	\$0	\$0	\$0	\$0
116	Contingency/Reserve, ACC Program Reserve	\$0	\$31,800	\$0	\$31,800
118	Total Annual Contributions Available	\$0	\$273,814	\$0	\$273,814
1120	Net Month Available	87	88	0	1,047
1121	Number of Unit Months Leased	87	88	0	1,048

HOUSING AUTHORITY OF THE TOWN OF INDEPENDENCE

ACTUAL INCORPORATION  
COST CERTIFICATE  
September 26, 2000

1. The actual Capital Fund costs is as follows:

	PROJECT LA-4870999(100)
Funds Approved	\$ 115,000
Funds Expended	<u>115,000</u>
Excess of Funds Approved	<u>0</u>
Funds Advanced	115,000
Funds Expended	<u>115,000</u>
Excess of Funds Advanced	<u>0</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated May 28, 2000 accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the PMA's records.
3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment.

**Hearing Authority of the Terms of Independence  
Council**

**COMPENSATION PAID BOARD MEMBERS**

The members of the Board of Commissioners are as follows:

Tony Molo, Chairman	20
Erica Dumas, Vice-Chairman	0
William McCre, Resident Commissioner	0
Willie Parker	0
Bernice Phipps	0
	<b>20</b>



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The Green, CPA  
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Joseph C. Williamson, CPA

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**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 Town of Independence  
Independence, Louisiana**

We have audited the financial statements of the Housing Authority of the Town of Independence, Independence, Louisiana, as of and for the year ended September 30, 2004, and have issued our report thereon dated March 11, 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 the Housing Authority'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.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management, and the federal auditing agency, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute (RS) 1431 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Green, Huggins & Williamson, LLC*

GREEN, HUGGINS & WILLIAMSON, LLC

Shreveport, Louisiana  
March 11, 2004



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Wayne E. Williamson, CPA

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### **Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular No. A-110**

**Board of Commissioners  
Housing Authority of the Town of Independence  
Independence, Louisiana**

#### **Compliance**

We have audited the compliance of the Housing Authority of the Town of Independence, Independence, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-110 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2005. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority'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 No. A-110, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular No. A-110 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority'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 the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005. However, the results of our auditing procedures disclosed two instances of noncompliance that is required to be reported in accordance with OMB Circular No. A-110 and which is described in the accompanying Schedule of Findings and Questioned Costs as items 63-F1 and 63-F2.

#### **Internal Control Over Compliance**

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority'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 No. A-110.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Housing Authority's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs on Items 01-F1 and 01-F2.

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. The 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 we also considered to be material weaknesses. However, we believe the reportable conditions described above are material weaknesses.

This report is intended solely for the information and use of the Board, management, and the federal awarding agency, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:511 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Green, Huggins & Williamson, LLC*

GREEN, HUGGINS & WILLIAMSON, LLC

Shreveport, Louisiana  
March 31, 2004

**Housing Authority of the Town of Independence  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 1999**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Contract No.	Expenditures
<b>United States Department of Housing and Urban Development</b>			
<b>Direct Programs</b>			
Public and Indian Housing			
Operating Subsidy	14.830	P#1-087	\$ 112,718
Section 8 Housing Choice Vouchers	14.871	P#2043	198,261
Public Housing Capital Fund Program	14.872	P#1-087	201,022
<b>Total</b>			<b>\$ 512,001</b>



**Housing Authority of the Town of Independence**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2005**

**NOTE 1 - GENERAL.** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

**NOTE 2 - BASIS OF ACCOUNTING.** The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS.** Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

Nonoperating revenues  
Federal grants

\$1,100,000

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS.** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**NOTE 5 - FEDERAL AWARDS.** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice FIM 98-04, "Federal awards" do not include the Housing Authority operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating activity received during the fiscal year is considered to be "expended" during the fiscal year.

**Housing Authority of the Town of Independence  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2005**

**PART I - Summary of the Auditor's Results**

**Financial statement audit**

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of non-compliance considered material, as defined by the Government Auditing Standards, to the financial statements.

**Audit of federal awards**

- iv. There were reportable conditions required to be disclosed by OMB Circular No. A-133.  
  
The reportable conditions disclosed were considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed two audit findings which the auditor is required to report under OMB Circular No. A-133, Section .310(a).
- vii. The major federal program is  
  
CFDA #14.871                      Section 8 Housing Choice Vouchers
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .330(a) was \$200,000.
- ix. The auditor does qualify as a low-risk auditor under OMB Circular No. A-133, Section .330.

**Honoring Authority of the Terms of Independence  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

There are no findings related to the financial statements which are required to be reported in accordance with Government Audit Standards generally accepted in the United States of America.

**Housing Authority of the Town of Independence**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2005**

**PART III - Findings and questioned costs for substantial work which are required to be reported under OMB Circular No. A-123 Section .30(b)(3)**

**Reference and Title: 02-01      Revision of Utility Allowance Schedule**

**Entity-wide or program/budgetary activity:**

CFDA #0407      Section 8 Housing Choice Vouchers

**Criteria or specific requirements:** 24 CFR Section 982.517 as well as HUD guidance contained in the Housing Choice Voucher Guidebook requires the Housing Authority to establish and maintain a utility allowance schedule that provides reasonable allowances for tenant-paid utilities. The Housing Authority must review its schedule of utility allowances for each year, and must revise its allowance for a utility category if there has been a change of 10 percent or more in the utility rate since the last revision.

**Condition found:** The Housing Authority was unable to provide documentation that a review of its utility allowances was conducted within the past year.

**Entity assessed, effect, cause and effect:**

**Cause:** The Housing Authority did not retain documentation of its review of utility allowances.

**Effect:** The Housing Authority's utility allowance schedule may not be correct.

**Recommendation to prevent future occurrences:** The Housing Authority should review its schedule of utility allowances annually, and revise its allowance for any utility category that has had a change of 10 percent or more in the utility rate since the last revision. The Housing Authority should retain documentation that a review of its utility allowance schedule was conducted.

**Reference and Title: 02-02      Resident Files**

**Entity-wide or program/budgetary activity:**

CFDA #0407      Section 8 Housing Choice Vouchers

**Criteria or specific requirements:** 24 CFR Sections 5.203, 5.206 and 5.601 through 5.607, as well as HUD guidance concerning the Form 5005B contain requirements for information required to be maintained in resident files. These requirements dictate that a copy of HUD Form 5005B be maintained for each resident. Social security numbers and dates of birth listed on the form should agree to the proof provided. Residents must provide proof of birth dates for all family members and must provide social security numbers for all children over the age of six. Outside verifications must be in the file for any medical expenses and child care expenses. Outside verifications must also be retained for any income received by the resident.

**Housing Authority of the Town of Independence  
Schedule of Findings and Questioned Costs  
For the Year Ended August 31, 2005**

**PART III - Findings and questioned costs for Information which are required to be reported under OMB Circular No. A-133 Section 50(a):**

**Condition found:** The following exceptions were noted for the sample of 12 resident files noted:

1. One file did not contain the required social security numbers nor a birth certificate for a minor child.
2. Three files lacked outside verification for reported income.
3. Three files lacked current child care expense confirmations. The child care expense was based on prior year information.

**Condition assessed effect (cause and effect):**

**Cause:** Some residents are slow in obtaining the information or reporting information from outside sources. In lieu of current information, the Housing Authority is using historical data.

**Effect:** The resident files and HUD data are incorrect under inspection for some resident files.

**Recommendations to prevent future occurrences:** HUD Form 5005 should be compared to the supporting documentation for accuracy. The checklists of items required should be reviewed for completeness.

## **Having authority of the Terms of Independence**

### **Other Information**

The information in the following section concerns management's actions or intentions concerning prior- and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular No. A-133. This information has been prepared by the management of the Housing Authority. Management accepts full responsibility, as required by OMB Circular No. A-133, for the accuracy of the information. This information has not been modified by the auditors except as required by OMB Circular No. A-133 Section 5000(c), and accordingly, no opinion is expressed. Section 5000(c) requires the auditors to follow up on prior audit findings, perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings prepared by the auditors, and report, as a current-year audit finding when the auditor concludes that the Summary Schedule of Prior Audit Findings materially misrepresents the status of any prior audit finding.

**Housing Authority of the Town of Independence  
Summary Schedule of Prior Audit Findings  
September 30, 2002**

**Findings reference # and title**      **SI/FI**      **Revised File**

**Initially occurred:** September 30, 2002.

**Condition:** Of the twenty-five public housing resident files tested the following was noted:

- (1) Six files did not include third-party verification of income.
- (2) One tenant did not meet the very low-income limit defined by HUD.
- (3) Four files did not include a copy of the family's social security card.
- (4) None of the files included a current lease agreement.
- (5) In one file, the calculated rent per the file did not agree with the rent register.
- (6) One file did not include re-examination.
- (7) In seven files, the re-examination was performed during the month the re-examination was due, therefore the rent was not adjusted until the following month or later.

**Corrective action taken:** The schedule for re-examinations was moved up. With entire-examination schedules was included with a list of required documents and the examining staff member initials and dates the checklist upon completion. The Executive Director reviews each file after completion of the re-examination to insure all the required documentation is in the file, accurate, and in order of the checklist.

**Person responsible for corrective action:**

Cindy Martin, Executive Director  
Housing Authority of the Town of Independence  
PO Box 26  
Independence, LA 70443

Telephone: (504) 878-4081  
Fax: (504) 878-2041

**Housing Authority of the Town of Independence  
Compliance Action Plan For Current-Year Audit Findings  
As of and for the Year Ended September 30, 2003**

**Reference # and title**                      **85-01**                      **Review of Utility Allowance Schedule**

**Condition found:** The Housing Authority was unable to provide documentation that a review of its utility allowance was conducted within the past year.

**Corrective action planned:** The Housing Authority shall conduct annual utility allowance reviews and will retain the documentation from the reviews.

**Contact person responsible for corrective action:**  
Cindy Martin, Executive Director                      Telephone: (945) 478-8094  
Housing Authority of the Town of Independence                      Fax: (945) 893-2941  
PO Box 58  
Independence, Louisiana 70443

**Anticipated completion date:** Immediately

**Reference # and title**                      **85-02**                      **Resident Files**

**Condition:** 24 CFR Sections 3.122, 3.124 and 3.601 through 3.617, as well as HUD guidance concerning the Form HUD-9238 contain requirements for information required to be maintained in resident files. These requirements dictate that a copy of HUD Form 9238 be maintained for each resident. Social security numbers and dates of birth listed on the form should agree to the proof provided. Residents must provide proof of birth dates for all family members and must provide social security numbers for all children over the age of six. Outside verifications must be in the file for any medical expenses and child care expenses. Outside verifications must also be evident for any income received by the resident.

The following exceptions were noted for the sample of 12 resident files tested:

1. One file did not contain the required social security numbers nor a birth certificate for a minor child.
2. Three files lacked outside verification for reported income.
3. Three files lacked current child care expense confirmation. The child care expense was based on prior year information.

**Corrective action planned:** With each re-examination a checklist will be included with a list of required documents and the examining staff member will initial and date the checklist upon completion. The executive director will review each file after completion of the re-examination to ensure all the required documentation is in the file, accurate, and in the order of the checklist.

**Contact person responsible for corrective action:**  
Cindy Martin, Executive Director                      Telephone: (945) 478-8094  
Housing Authority of the Town of Independence                      Fax: (945) 893-2941  
PO Box 58  
Independence, Louisiana 70443

**Anticipated completion date:** Immediately.