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**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**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. 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 4.28.04

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
**Housing Authority of St. Charles Parish**  
Boutte, Louisiana

We have audited the accompanying financial statements of the **Housing Authority of St. Charles Parish (HASCP)**, as of and for the year ended September 30, 2003, as listed in the Table of Contents. These financial statements are the responsibility of **HASCP'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **HASCP**, 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 St. Charles Parish**  
Boutte, Louisiana  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2004, on our consideration of **HASCP'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

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

March 8, 2004

**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
**BALANCE SHEET--ENTERPRISE FUND**  
**SEPTEMBER 30, 2003**

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**ASSETS**

Cash and temporary cash investments (NOTE 2)	\$ 340,618
Amounts receivable, net (NOTE 7)	33,697
Prepaid expenses and other assets (NOTE 14)	22,247
Investments (NOTE 4)	74,284
Land, structures and equipment, net (NOTES 3, 6, AND 12)	<u>1,819,347</u>
Total assets	<u>\$2,290,193</u>

**LIABILITIES AND EQUITY**

Liabilities:

Amounts and other payable (NOTE 5)	\$ 23,719
Compensated absences payable	14,688
Security deposits held for tenants (NOTE 2)	10,283
Deferred liability	<u>4,506</u>

Total liabilities 53,196

Equity:

Contributed capital (NOTE 6) 1,903,919

Retained earnings:

Unreserved retained earnings 333,078

Total equity 2,236,997

Total liabilities and equity \$2,290,193

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

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED EARNINGS (DEFICIT)--ENTERPRISE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Operating Revenues:	
Dwelling rental	\$ 146,340
Fees and charges	<u>15,614</u>
Total operating revenues	<u>161,954</u>
Operating Expenses:	
Salaries and employee benefits	217,392
Repairs and maintenance	3,818
Contractual services	47,285
Utilities	201,773
Garbage and trash removal	11,913
Depreciation	112,546
Insurance	46,731
Housing assistance payments	1,197,591
Convention and travel	2,589
Casualty loss	23,660
Bad debt	1,432
Other	3,964
General	<u>49,318</u>
Total operating expenses	<u>1,920,012</u>
Operating loss	<u>(1,758,058)</u>
Non-operating Revenues:	
Grants and subsidies	2,140,861
Interest income	3,445
Insurance proceeds	23,660
Other	<u>3,008</u>
Total non-operating revenues	<u>2,170,974</u>
Net income before other financing sources (uses)	412,916
Other financing sources (uses):	
Operating transfer in	5,636
Operating transfer out	<u>(5,636)</u>
Net income	412,916
Retained earnings (deficit), beginning of year	<u>(79,838)</u>
Retained earnings , end of year	<u>\$ 333,078</u>

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

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
STATEMENT OF CASH FLOWS--ENTERPRISE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

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Operating loss	\$(1,758,058)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	112,546
Bad debt	1,432
Decrease in amounts receivable	1,761
Increase in prepaid expenses and other assets	(3,723)
Decrease in amounts and other payable	(21,515)
Decrease in compensated absences payable	(1,760)
Decrease in security deposits held for tenants	(125)
Decrease in deferred liability	<u>(16,697)</u>
Net cash used in operating activities	<u>(1,686,139)</u>
Cash Flows from Investing Activities:	
Interest received	3,445
Purchase of investments, net	(3,494)
Casualty claim-insurance proceeds	23,660
Other	<u>3,008</u>
Net cash provided by investing activities	<u>26,619</u>
Cash Flows from Noncapital Financing Activities:	
Subsidies from Federal grants	<u>2,140,861</u>
Cash provided by noncapital financing activities	<u>2,140,861</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of fixed assets	<u>(393,753)</u>
Cash used in capital and related financing activities	<u>(393,753)</u>
Net increase in cash and temporary cash investments	87,588
Cash and temporary cash investments, beginning of year	<u>253,030</u>
Cash and temporary cash investments, end of year	<u>\$ 340,618</u>
Interest paid during the fiscal year ended September 30, 2003	<u>\$ -0-</u>

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



**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - Background and General Data:

Background

The **Housing Authority of St. Charles Parish (HASCP)** 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. **HASCP** has been contracted by HUD to administer the Low-Rent and Housing Choice Voucher Programs respectively under Annual Contributions Contracts.

As of September 30, 2003, **HASCP** was primarily engaged in the administration of Low-Rent and Housing Choice Voucher Programs to low-income residents in Boutte, Hahnville, and Des Allemands, Louisiana.

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

Financial Reporting Entity

**HASCP** 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 Boutte.

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 ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Background and General Data, Continued

Financial Reporting Entity, Continued

**HASCP** 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 **HASCP** 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 **HASCP** 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 at the time liabilities are incurred. **HASCP** applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. **HASCP'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 ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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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, **HASCP** recognizes assets, liabilities, revenues and expenses under its government-mandated and voluntary non-exchange transactions as follows:

- **HASCP** 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 **HASCP** as revenue upon award.

Budget

**HASCP** 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. **HASCP** 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 ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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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 those estimates.

Statement of Cash Flows

For purposes of the statement of cash flows, **HASCP** 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 ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Background and General Data, Continued

Land, Structures and Equipment, Continued

Structures and equipment with a cost of \$300 or more are capitalized and are depreciated in the enterprise fund of **HASCP** using the following estimated useful lives:

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

Compensated Absences

**HASCP** follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under those regulations, employees may accumulate up to three hundred (300) hours of annual leave which may be received upon 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 C60, 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. Nonrecurring 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 ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Background and General Data, Continued

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 and Temporary Cash Investments:

At September 30, 2003, HASCP's cash and temporary cash investments consisted of the following:

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Value</u>	<u>Approximate Market Value</u>
Cash and Money Fund	.05	\$329,087	\$329,087
Money Market Funds	.22	4,066	4,066
Money Market Funds	.15	6,493	6,493
Money Market Funds	N/A	641	641
Cash	N/A	<u>331</u>	<u>331</u>
Total		<u>\$340,618</u>	<u>\$340,618</u>

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

At September 30, 2003, the carrying amount of HASCP's cash deposits was \$340,618 and the cumulative bank balance was 355,810. The bank balances are covered by federal depository insurance and collateral held by the pledging institutions' agent in HASCP's name.

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - Cash and Temporary Cash Investments, Continued

Cash and temporary cash investments are categorized as Category 1. Category 1 represents cash insured or collateralized with securities held by the pledging financial institution's trust department or agent in HASCP's name.

Included in cash and temporary cash investments is \$10,283 of tenant security deposits.

NOTE 3 - Land, Structures and Equipment:

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

	Balance September 30, 2002	<u>Additions</u>	Balance September 30, 2003
Land	\$ 13,028	\$ -0-	\$ 13,028
Buildings and building improvements	5,512,503	235,364	5,747,867
Equipment	120,328	7,297	127,625
Construction in progress	<u>60,940</u>	<u>151,092</u>	<u>212,032</u>
Sub-total	5,706,799	393,753	6,100,552
Less accumulated depreciation	<u>(4,168,659)</u>	<u>(112,546)</u>	<u>(4,281,205)</u>
Total	<u>\$ 1,538,140</u>	<u>\$ 281,207</u>	<u>\$ 1,819,347</u>

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 4 - Investments:

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

<u>Description</u>	<u>Carrying Value</u>	<u>Approximate Market Value</u>	<u>Rate (%)</u>	<u>Maturity</u>
Certificate of deposit	\$46,310	\$46,310	5.10	12/15/03
Certificate of deposit	23,692	23,692	4.25	06/13/05
Certificate of deposit	<u>4,282</u>	<u>4,282</u>	2.30	01/11/07
Total	<u>\$74,284</u>	<u>\$74,284</u>		

The investments balances are covered by federal depository insurance and collateral held by the pledging institutions agent in HASCP's name. See NOTE 2.

NOTE 5 - Amounts and Other Payable:

At September 30, 2003, amounts and other payable consisted of the following:

Accrued payroll taxes payable	\$ 1,145
Other	<u>22,574</u>
Total	<u>\$23,719</u>



**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 6 - Contributed Capital:

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

<u>Balance</u> <u>October 1, 2002</u>	<u>Net</u> <u>Additions</u>	<u>September 30,</u> <u>2003</u>
<u>\$1,903,919</u>	<u>\$-0-</u>	<u>\$1,903,919</u>

NOTE 7 - Amounts Receivable, Net:

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

Amounts receivable - HUD	\$33,131
Amounts receivable - tenants	636
Amounts receivable - other	<u>248</u>
Sub-total	34,015
Less: allowance for doubtful accounts	<u>(318)</u>
Total	<u>\$33,697</u>

**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 8 - Retirement System:

Plan Description

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

Plan Funding

Funding for the plan is through a contribution of 7% and 5% by **HASCP** and its employees, respectively. The contribution amount is based on the employee's base salary each month.

**HASCP's** gross payroll for participating employees for the year ended September 30, 2003, was \$116,058. **HASCP** and employee contributions made using base salary amounted to \$12,256 and \$5,171, respectively.

NOTE 9 - Risk Management:

**HASCP** is exposed to various risks of loss related to torts, theft, damage to and destruction of assets for which **HASCP** 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 10 - Concentration of Credit Risk:

**HASCP** 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, **HASCP's** operating results could be adversely affected.

**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 11 - Contingencies:

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

NOTE 12 - Commitments:

At September 30, 2003, **HASCP**, has executed agreements with HUD totaling \$637,945 for various modernization projects in progress. Balance of funds remaining at September 30, 2003, was \$369,610.

NOTE 13 - Deferred Liability:

At September 30, 2003, the amount reflected as deferred liability of \$4,506, represents the proceeds from an insurance claim for damages to a dwelling unit owned by **HASCP**. Management anticipates complete restoration of the damages to the unit in the current year at a cost within the amount of the insurance proceeds received.

NOTE 14 - Prepaid Expenses and Other Assets:

At September 30, 2003, prepaid expenses and other assets consisted of the following:

Prepaid insurance	\$21,849
Inventories	<u>398</u>
Total	<u>\$22,247</u>

**SUPPLEMENTARY INFORMATION**



Member  
American Institute of  
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**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners  
**Housing Authority of St. Charles Parish**  
Boutte, Louisiana

Our report on our audit of the financial statements of the **Housing Authority of St. Charles Parish (HASCP)** 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, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly 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 8, 2004

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
COMBINING BALANCE SHEET--ENTERPRISE FUND  
SEPTEMBER 30, 2003**

	Low Rent Public Housing Program	Housing Choice Voucher Program	Capital Fund Program	Total (Memorandum Only)
<b>ASSETS</b>				
Cash and temporary cash investments	\$ 237,700	\$102,918	\$ -0-	\$ 340,618
Amounts receivable, net	566	33,131	-0-	33,697
Prepaid expenses and other assets	22,247	-0-	-0-	22,247
Investments	74,284	-0-	-0-	74,284
Due from other funds	-0-	53,410	-0-	53,410
Land, structures and equipment, net	<u>1,404,910</u>	<u>-0-</u>	<u>414,437</u>	<u>1,819,347</u>
Total assets	<u>\$1,739,707</u>	<u>\$189,459</u>	<u>\$414,437</u>	<u>\$2,343,603</u>
<b>LIABILITIES AND EQUITY</b>				
Liabilities:				
Amounts and other payable	\$ 10,635	\$ 13,084	\$ -0-	\$ 23,719
Compensated absences payable	8,273	6,415	-0-	14,688
Security deposits held for tenants	10,283	-0-	-0-	10,283
Deferred liability	4,506	-0-	-0-	4,506
Due to other funds	<u>53,410</u>	<u>-0-</u>	<u>-0-</u>	<u>53,410</u>
Total liabilities	<u>87,107</u>	<u>19,499</u>	<u>-0-</u>	<u>106,606</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
**COMBINING BALANCE SHEET--ENTERPRISE FUND, CONTINUED**  
**SEPTEMBER 30, 2003**

	<u>Low Rent Public Housing Program</u>	<u>Housing Choice Voucher Program</u>	<u>Capital Fund Program</u>	<u>Total (Memorandum Only)</u>
Equity:				
Contributed capital	\$1,903,919	\$ -0-	\$ -0-	\$1,903,919
Retained earnings (deficit):				
Unreserved retained earnings (deficit)	<u>(251,319)</u>	<u>169,960</u>	<u>414,437</u>	<u>333,078</u>
Total equity	<u>1,652,600</u>	<u>169,960</u>	<u>414,437</u>	<u>2,236,997</u>
Total liabilities and equity	<u>\$1,739,707</u>	<u>\$189,459</u>	<u>\$414,437</u>	<u>\$2,343,603</u>

See Independent Auditors' Report on Supplementary Information.



**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**RETAINED EARNINGS (DEFICIT)--ENTERPRISE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Low Rent Public Housing Program	Housing Choice Voucher Program	Capital Fund Program	Total (Memorandum Only)
Operating Revenues:				
Dwelling rental	\$ 146,340	\$ -0-	\$ -0-	\$ 146,340
Fees and charges	<u>15,614</u>	<u>-0-</u>	<u>-0-</u>	<u>15,614</u>
Total operating revenues	<u>161,954</u>	<u>-0-</u>	<u>-0-</u>	<u>161,954</u>
Operating Expenses:				
Salaries and employee benefits	134,718	82,674	-0-	217,392
Repairs and maintenance	3,818	-0-	-0-	3,818
Contractual services	32,966	14,319	-0-	47,285
Utilities	201,773	-0-	-0-	201,773
Garbage and trash removal	11,913	-0-	-0-	11,913
Depreciation	98,088	-0-	14,458	112,546
Insurance	43,311	3,420	-0-	46,731
Housing assistance payments	-0-	1,197,591	-0-	1,197,591
Convention and travel	1,775	814	-0-	2,589
Casualty loss	23,660	-0-	-0-	23,660
Bad debt	1,432	-0-	-0-	1,432
Other	3,964	-0-	-0-	3,964
General	<u>38,358</u>	<u>10,960</u>	<u>-0-</u>	<u>49,318</u>
Total operating expenses	<u>595,776</u>	<u>1,309,778</u>	<u>14,458</u>	<u>1,920,012</u>
Operating loss	<u>(433,822)</u>	<u>(1,309,778)</u>	<u>(14,458)</u>	<u>(1,758,058)</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED EARNINGS (DEFICIT)--ENTERPRISE FUND, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Low Rent Public Housing Program	Housing Choice Voucher Program	Capital Fund Program	Total (Memorandum Only)
Non-operating revenues:				
Grants and subsidies	\$ 391,622	\$1,365,850	\$383,389	\$2,140,861
Interest income	3,275	170	-0-	3,445
Casualty claim-insurance proceeds	23,660	-0-	-0-	23,660
Other	<u>3,008</u>	<u>-0-</u>	<u>-0-</u>	<u>3,008</u>
Total non-operating revenues	<u>421,565</u>	<u>1,366,020</u>	<u>383,389</u>	<u>2,170,974</u>
Net income (loss) before other financing sources (uses)	(12,257)	56,242	368,931	412,916
Other financing sources (uses):				
Operating transfer in	5,636	-0-	-0-	5,636
Operating transfer out	<u>-0-</u>	<u>-0-</u>	<u>(5,636)</u>	<u>(5,636)</u>
Net income (loss)	(6,621)	56,242	363,295	412,916
Retained earnings (deficit), beginning of year	(251,996)	113,718	58,440	(79,838)
Equity transfers	<u>7,298</u>	<u>-0-</u>	<u>(7,298)</u>	<u>-0-</u>
Retained earnings (deficit), end of year	<u>\$(251,319)</u>	<u>\$ 169,960</u>	<u>\$414,437</u>	<u>\$ 333,078</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE I**

**HOUSING AUTHORITY OF THE ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Federal Expenditures</u>
Program funded by the U.S. Department of Housing and Urban Development:			
<u>Subject to Annual Contributions Contracts</u>			
Low Rent Public Housing Program	*14.850a	FW-1450	\$ 391,622
Housing Choice Voucher Program	*14.871	FW-2258	1,365,850
Public Housing Capital Fund Program	*14.872	FW-1450	<u>383,389</u>
<b>Total</b>			<u><b>\$2,140,861</b></u>

\*Denotes major program as defined by OMB Circular A-133.

**NOTE:** Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of **HASCP** 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-133, *Audits of States, Local Governments and Non-Profit Organizations*.

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET**  
**SEPTEMBER 30, 2003**

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING PROGRAM</u>	<u>PUBLIC HOUSING CAPITAL FUND PROGRAM</u>	<u>HOUSING CHOICE VOUCHER PROGRAM</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
111	Cash - unrestricted	\$ 227,417	\$ -0-	\$102,918	\$ 330,335
114	Cash - tenant security deposits	<u>10,283</u>	<u>-0-</u>	<u>-0-</u>	<u>10,283</u>
100	Total cash	<u>237,700</u>	<u>-0-</u>	<u>102,918</u>	<u>340,618</u>
122	Accounts receivable - HUD other projects	-0-	-0-	33,131	33,131
125	Accounts receivable-miscellaneous	246	-0-	-0-	246
126	Accounts receivable - tenants dwelling rents	636	-0-	-0-	636
126.1	Allowance for doubtful accounts-dwelling rents	(318)	-0-	-0-	(318)
129	Accrued interest receivable	<u>2</u>	<u>-0-</u>	<u>-0-</u>	<u>2</u>
120	Total receivables, net of allowance for doubtful accounts	<u>566</u>	<u>-0-</u>	<u>33,131</u>	<u>33,697</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUETTE, LOUISIANA  
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED  
SEPTEMBER 30, 2003**

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING PROGRAM</u>	<u>PUBLIC HOUSING CAPITAL FUND PROGRAM</u>	<u>HOUSING CHOICE VOUCHER PROGRAM</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
131	Investments - unrestricted	\$ 74,284	\$ -0-	\$ -0-	\$ 74,284
142	Prepaid expenses and other assets	21,849	-0-	-0-	21,849
143	Inventories	398	-0-	-0-	398
144	Interprogram due from	<u>-0-</u>	<u>-0-</u>	<u>53,410</u>	<u>53,410</u>
150	Total current assets	<u>334,797</u>	<u>-0-</u>	<u>189,459</u>	<u>524,256</u>
161	Land	13,028	-0-	-0-	13,028
162	Buildings	5,531,004	216,863	-0-	5,747,867
163	Furniture, equipment & machinery- dwellings	65,489	-0-	-0-	65,489
164	Furniture, equipment & machinery- administration	62,136	-0-	-0-	62,136
166	Accumulated depreciation	(4,266,747)	(14,458)	-0-	(4,281,205)
167	Construction in progress	<u>-0-</u>	<u>212,032</u>	<u>-0-</u>	<u>212,032</u>
160	Total fixed assets, net of accumulated depreciation	<u>1,404,910</u>	<u>414,437</u>	<u>-0-</u>	<u>1,819,347</u>
180	Total non-current assets	<u>1,404,910</u>	<u>414,437</u>	<u>-0-</u>	<u>1,819,347</u>
190	Total assets	<u>\$ 1,739,707</u>	<u>\$ 414,437</u>	<u>\$ 189,459</u>	<u>\$ 2,343,603</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOULTE, LOUISIANA**  
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED  
SEPTEMBER 30, 2003

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING PROGRAM</u>	<u>PUBLIC HOUSING CAPITAL FUND PROGRAM</u>	<u>HOUSING CHOICE VOUCHER PROGRAM</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
312	Accounts payable ≤ 90 days	\$ 9,490	\$ -0-	\$ 13,084	\$ 22,574
321	Accrued wage/payroll taxes payable	1,145	-0-	-0-	1,145
322	Accrued compensated absences-current portion	3,727	-0-	6,415	10,142
331	Accounts payable - HUD PHA programs	-0-	-0-	-0-	-0-
333	Accounts payable - other	-0-	-0-	-0-	-0-
341	Tenant security deposits	10,283	-0-	-0-	10,283
347	Interprogram due to	<u>53,410</u>	<u>-0-</u>	<u>-0-</u>	<u>53,410</u>
310	Total current liabilities	<u>78,055</u>	<u>-0-</u>	<u>19,499</u>	<u>97,554</u>
353	Noncurrent liabilities - other	4,506	-0-	-0-	4,506
354	Accrued compensated absences-non current portion	<u>4,546</u>	<u>-0-</u>	<u>-0-</u>	<u>4,546</u>
350	Total noncurrent liabilities	<u>9,052</u>	<u>-0-</u>	<u>-0-</u>	<u>9,052</u>
300	Total liabilities	<u>87,107</u>	<u>-0-</u>	<u>19,499</u>	<u>106,606</u>
504	Net HUD PHA contributions	<u>1,903,919</u>	<u>-0-</u>	<u>-0-</u>	<u>1,903,919</u>
508	Total contributed capital	<u>1,903,919</u>	<u>-0-</u>	<u>-0-</u>	<u>1,903,919</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED  
SEPTEMBER 30, 2003

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING PROGRAM</u>	<u>PUBLIC HOUSING CAPITAL FUND PROGRAM</u>	<u>HOUSING CHOICE VOUCHER PROGRAM</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
512	Undesignated fund balance/retained earnings(deficit)	\$(251,319)	\$414,437	\$169,960	\$ 333,078
513	Total equity	1,652,600	414,437	169,960	2,236,997
600	Total liabilities and equity	\$1,739,707	\$414,437	\$189,459	\$2,343,603

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING PROGRAM</u>	<u>PUBLIC HOUSING CAPITAL FUND PROGRAM</u>	<u>HOUSING CHOICE VOUCHER PROGRAM</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
703	Net tenant rental revenue	\$ 146,340	\$ -0-	\$ -0-	\$ 146,340
704	Tenant revenue - other	<u>15,614</u>	<u>-0-</u>	<u>-0-</u>	<u>15,614</u>
705	Total tenant revenues	161,954	-0-	-0-	161,954
706	HUD PHA operating grants	391,622	5,636	1,365,850	1,763,108
706.1	Capital grants	-0-	377,753	-0-	377,753
711	Investment income - unrestricted	3,275	-0-	170	3,445
715	Other revenue	<u>26,668</u>	<u>-0-</u>	<u>-0-</u>	<u>26,668</u>
700	Total revenues	<u>583,519</u>	<u>383,389</u>	<u>1,366,020</u>	<u>2,332,928</u>

See Independent Auditors' Report on Supplementary Information.



**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING PROGRAM</u>	<u>PUBLIC HOUSING CAPITAL FUND PROGRAM</u>	<u>HOUSING CHOICE VOUCHER PROGRAM</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
911	Administrative salaries	\$ 59,409	\$ -0-	\$ 67,383	\$ 126,792
912	Auditing fees	6,600	-0-	2,500	9,100
913	Outside management fees	1,620	-0-	8,807	10,427
915	Employee benefit contributions- administrative	12,791	-0-	15,291	28,082
916	Other operating-administrative	5,243	-0-	3,012	8,255
924	Tenant services-other	88	-0-	-0-	88
931	Water	38,132	-0-	-0-	38,132
932	Electricity	21,401	-0-	-0-	21,401
933	Gas	54,164	-0-	-0-	54,164
938	Other utilities expense	88,076	-0-	-0-	88,076
941	Ordinary maintenance and operations- labor	<u>51,715</u>	<u>-0-</u>	<u>-0-</u>	<u>51,715</u>
	Page total	<u>339,239</u>	<u>-0-</u>	<u>96,993</u>	<u>436,232</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING PROGRAM</u>	<u>PUBLIC HOUSING CAPITAL FUND PROGRAM</u>	<u>HOUSING CHOICE VOUCHER PROGRAM</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
942	Ordinary maintenance and operations- materials and other	\$ 16,070	\$ -0-	\$ -0-	\$ 16,070
943	Ordinary maintenance and operations- contract costs	32,793	-0-	-0-	32,793
945	Employee benefit contributions- ordinary maintenance	10,803	-0-	-0-	10,803
961	Insurance premiums	43,311	-0-	3,420	46,731
962	Other general expenses	30,380	-0-	11,774	42,154
964	Bad debts - tenants	<u>1,432</u>	<u>-0-</u>	<u>-0-</u>	<u>1,432</u>
969	Total operating expenses	<u>474,028</u>	<u>-0-</u>	<u>112,187</u>	<u>586,215</u>
970	Excess (deficiency) of operating revenues over operating expenses	<u>109,491</u>	<u>383,389</u>	<u>1,253,833</u>	<u>1,746,713</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA**  
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

<u>LINE ITEM NO.</u>	<u>ACCOUNT DESCRIPTION</u>	<u>LOW RENT PUBLIC HOUSING PROGRAM</u>	<u>PUBLIC HOUSING CAPITAL FUND PROGRAM</u>	<u>HOUSING CHOICE VOUCHER PROGRAM</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
	Other Expenses:				
972	Casualty losses--not capitalized	\$ 23,660	\$ -0-	\$ -0-	\$ 23,660
973	Housing assistance payments	-0-	-0-	1,197,591	1,197,591
974	Depreciation expense	<u>98,088</u>	<u>14,458</u>	<u>-0-</u>	<u>112,546</u>
900	Total expenses	<u>595,776</u>	<u>14,458</u>	<u>1,309,778</u>	<u>1,920,012</u>
	Other Financing Sources (Uses):				
1001	Operating transfers in	5,636	-0-	-0-	5,636
1002	Operating transfers out	<u>-0-</u>	<u>(5,636)</u>	<u>-0-</u>	<u>(5,636)</u>
1000	Excess (deficiency) of revenues over expenses	<u>\$ (6,621)</u>	<u>\$363,295</u>	<u>\$ 56,242</u>	<u>\$ 412,916</u>
1103	Beginning equity	<u>\$1,651,923</u>	<u>\$113,718</u>	<u>\$ 58,440</u>	<u>\$1,824,081</u>
1104	Prior period adjustments, equity transfers, and correction of errors	<u>\$ 7,298</u>	<u>\$ (7,298)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**HOUSING AUTHORITY OF THE CITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA**

**STATEMENT OF CAPITAL FUND PROGRAM--(COMPLETED)**

From Inception through September 30, 2003

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LA-48P094501-00

Funds approved	\$ 234,730
Funds expended	<u>(234,730)</u>
Excess (deficiency) of funds approved	\$ <u>-0-</u>
Funds advanced:	
Grant funding	\$( <u>234,730</u> )
Total funds advanced	234,730
Funds expended	<u>(234,730)</u>
Excess (deficiency) of funds advanced	\$ <u>-0-</u>

NOTE: The costs as shown on the Actual Modernization Cost Certificate for LA48P094501-00 dated July 10, 2003 and submitted to HUD for approval are in agreement with HASCP's records and all cost and liabilities associated with it have been paid.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE V

HOUSING AUTHORITY OF THE CITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA

STATEMENT OF CAPITAL FUND PROGRAM--INCOMPLETE

From Inception through September 30, 2003

	<u>LA-48P094501-01</u>	<u>LA-48PO94501-02</u>	<u>LA-48PO94501-03</u>	<u>TOTALS</u>
Funds approved	\$ 239,428	\$222,171	\$176,346	\$ 637,945
Funds expended	<u>(233,506)</u>	<u>(34,829)</u>	<u>-0-</u>	<u>(268,335)</u>
Excess (deficiency) of funds approved	\$ <u>5,922</u>	\$ <u>187,342</u>	\$ <u>176,346</u>	\$ <u>369,610</u>
Funds advanced:				
Grant funding	\$ <u>233,506</u>	\$ <u>34,829</u>	\$ <u>-0-</u>	\$ <u>268,335</u>
Total funds advanced	233,506	34,829	-0-	268,335
Funds expended	<u>(233,506)</u>	<u>(34,829)</u>	<u>-0-</u>	<u>(268,335)</u>
Excess (deficiency) of funds advanced	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

See Independent Auditors' Report on Supplementary Information.



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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 St. Charles Parish**  
Boutte, Louisiana

We have audited the financial statements of the **Housing Authority of St. Charles Parish (HASCP)** as of and for the year ended September 30, 2003, and have issued our report thereon dated March 8, 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 **HASCP's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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

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(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered **HASCP'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 over financial reporting 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of **HASCP** in a separate letter dated March 8, 2004.

This report is intended solely for the information and use of the Board of Commissioners, **HASCP'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 8, 2004



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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 St. Charles Parish**  
Boutte, Louisiana

**Compliance**

We have audited the compliance of the **Housing Authority of St. Charles Parish (HASCP)** 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 each of its major federal programs for the year ended September 30, 2003. **HASCP's** major federal programs are 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 each of its major federal programs is the responsibility of **HASCP's** management. Our responsibility is to express an opinion on **HASCP'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, *Audits of States, 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 HASCP'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 HASCP's compliance with those requirements.

In our opinion, HASCP complied, in all material respects, with the requirements previously referred to that are applicable to each of its major federal programs for the year ended September 30, 2003.

**Internal Control Over Compliance**

The management of HASCP 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 HASCP'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.

Our consideration of the internal control over compliance 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 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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)

This report is intended solely for the information and use of the Board of Commissioners, HASCP'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 8, 2004

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

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**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? No

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)? No

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 510(a) of Circular A-133? No

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA**  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

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**Section I - Summary of Auditors' Results, Continued**

*Federal Awards, Continued*

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Voucher Program
14.850a	Low Rent Public Housing Program
14.872	Public Housing Capital Fund 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 ST. CHARLES PARISH  
BOUTTE, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

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**Section II - Financial Statement Findings and Questioned Costs**

No financial statement findings were reported for the year ended September 30, 2003.

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA**  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

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**Section III - Federal Award Findings and Questioned Costs**

No federal award findings and questioned costs were reported for the year ended September 30, 2003.

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA**  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

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

**Reference Number**

2002-01 and 2002-02

**Condition**

The operations of HASCP's internal control over financial reporting exhibited the following conditions:

- Fourteen (14) instances where no mathematical verification of invoices were performed by staff prior to payment of invoices; and
- No evidence to support Executive Director or designee approval of invoices prior to payment.

**Recommendation**

Management should re-evaluate the current internal control with an aim toward improving existing procedures and processes to include greater management oversight.

**Current Status**

Resolved.

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, 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 Numbers**

2000-01 and 1999-02

**Condition**

The Public and Indian Low-Rent Housing Program's actual expenses for the years ended September 30, 2000 and 1999, reflected overruns over the approved budget in various categories.

**Current Status**

The September 30, 2003 budgeted to actual report reflects total cumulative expenses to be under budget via comparison to actual expenses.

**Reference Numbers**

2000-02 and 1999-01

**Condition\***

The general ledger and related subsidiary ledger for fixed assets prepared by HASCP's fee accountant, does not include all inventory items for appliances owned by HASCP. We noted the most recent correspondence dated February 22, 2001 from the Executive Director of HASCP to the fee accountant for HASCP requesting the recordation of the necessary "book to physical" adjustments in order to properly state fixed assets.

\*Repeated



**HOUSING AUTHORITY OF ST. CHARLES PARISH**  
**BOUTTE, 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 Numbers**

2000-02 and 1999-01

**Condition,\* Continued**

The total value of the inventory prior to the effect of accumulated depreciation is approximately \$40,000. It is our understanding based on discussion with the fee accountant that the necessary adjustment will be recorded in the current fiscal year.

**Current Status**

See current years' separate management letter comment letter dated March 8, 2004.

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA**

EXIT CONFERENCE

SEPTEMBER 30, 2003

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The financial statements and related reports were discussed at an exit conference held with management of the **Housing Authority of St. Charles Parish** noting their agreement in all material respects.

Those that participated in the discussions are as follows:

**HOUSING AUTHORITY OF ST. CHARLES PARISH  
BOUTTE, LOUISIANA**

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Mrs. Leala Jackson

– Executive Director

**BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

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Mr. Paul K. Andoh, Sr., CPA, CGFM, MBA

– Partner

Mrs. Latona Thomas, CPA

– Supervisor

Mr. Victor Robinson

– Senior Accountant



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

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LECTURE AUDITOR

04 APR -7 AM 11:21

Michael B. Bruno, CPA  
Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Commissioners  
**Housing Authority of St. Charles Parish**

In planning and performing our audit of the financial statements of the **Housing Authority of St. Charles Parish (HASCP)** as of and for the year ended September 30, 2003, we considered **HASCP'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 **HASCP's** internal control in our report dated March 8, 2004. This letter does not affect our report dated March 8, 2004, on **HASCP'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 **HASCP**, 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**

### *Current Year's Comments*

The following summarizes our comments and suggestions concerning those matters:

#### **Condition**

Our review of the bank account reconciliations and financial statements prepared by HASCP's fee accountant revealed the absence of a review and/or approval by an appropriate member of management.

#### **Recommendation**

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

#### **Management's Response**

HASCP will institute a procedure where all work submitted by the fee accountant is reviewed and approved by the Executive Director with feedback to the fee accountant on a monthly basis effective May 1, 2004.

#### **Condition**

We noted that HASCP's detail inventory subsidiary ledger (i.e. detail listing of all fixed assets) did not agree to the general ledger control account.

#### **Recommendation**

We recommend that management reconcile its inventory subsidiary ledger (both capitalized and noncapitalized assets) to the general ledger control account and all reconciling items identified with the necessary corrections made to the subsidiary ledger and/or journal entries prepared and posted to the general ledger in a timely manner.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

*Current Year's Comments, Continued*

**Management's Response**

Management has instructed its fee accountant to reconcile its inventory subsidiary ledger to the general ledger control account and all reconciling items with necessary corrections made to the subsidiary ledger to be posted in a timely manner. We project to have this satisfied by May 1, 2004.

**Condition**

Our review of HASCP's authorized check signers revealed that a former commissioner whose term had expired is currently listed as an authorized signer on HASCP's bank account.

**Recommendation**

We recommend that management establish the necessary procedures to ensure that the authorized signers on HASCP's bank accounts are updated to reflect changes in management and the board.

**Management's Response**

Management has immediately rectified this error and has established procedures to ensure that the authorized signers on bank accounts are updated to reflect changes in management and the board.

**Condition**

The general ledger and related subsidiary ledger for fixed assets prepared by HASCP's fee accountant does not include all inventory items for appliances owned by HASCP.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

*Current Year's Comments, Continued*

**Recommendation**

Management should seek immediate resolution of the above condition.

**Management's Response**

Management has issued documents to its fee accountant which will reconcile appliances on the subsidiary ledger. We have instructed the fee accountant to list all appliances no matter where purchased. We anticipate a correction immediately.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

*Status of Prior Years' Comments*

**Condition**

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

**Current Status**

HASCP will establish a written policy to facilitate the allocation of shared costs between programs. Anticipated completion date is July 30, 2004.

**Condition**

Considering the size of HASCP, the important elements of internal control and segregation of duties cannot always be achieved to insure adequate protection and safeguarding of HASCP's assets.

**Current Status**

HASCP has instituted procedures to assure proper segregation of duties to safeguard its assets. Management continues to play an active role to ensure protection and safeguarding of assets.

**Condition**

Currently, HASCP performs the necessary "back-up" of its accounting and program data and stores such data to include all of its records on site.

**Current Status**

HASCP's will continue to back up and store data on site. However, we will also store data off site for added safeguards. Anticipated start date is July 30, 2004.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT**  
**(CONTINUED)**

*Status of Prior Years' Comments, Continued*

**Condition**

Currently, HASCP receives from its fee accountant monthly financial statements on a combined basis for the balance sheet and individual statements of operation. Considering that the "REAC" reports submitted by the fee accountant has to be prepared on an individual program basis and to facilitate HASCP's ability to review its completed financial statements from an individual program prospective, we recommend that the financial statement format be restructured to allow for the submission of individual balance sheets and statements of operation for each program.

**Management's Response**

Management will instruct is fee accountant to submit individual balance sheets and statements of operation for each program.

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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 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 8, 2004