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***Housing Authority
Of The
City of Mansfield, Louisiana***

***Financial Statements and
Supplemental Financial Information***

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 3.10.04

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



◆ 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 low income housing programs in the United States. Accordingly, HUD has contracted with the entity to administer certain HUD funds. The entity is a public corporation, legally separate, fiscally independent and governed by Board of Commissioners.

*Housing Authority of the City of Mansfield
Mansfield, Louisiana*

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September 30, 2003*

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INDEPENDENT AUDITOR'S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

Housing Authority of the
City of Mansfield
Mansfield, Louisiana

I have audited the accompanying general purpose financial statements of the Housing Authority of the City of Mansfield, Louisiana, as of and for the year ended September 30, 2003 as listed in the table of contents. These general purpose financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Mansfield, Louisiana, as of September 30, 2003 and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The other supplemental information, combining statements and schedules listed in the table of contents and financial data schedules (FDS) are presented for purposes of additional analysis and are not a required part of the financial statements of the Housing Authority of the City of Mansfield, Louisiana. Such information, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in my opinion, the information is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 18, 2003, on my consideration of Housing Authority of the City of Mansfield, Louisiana's internal control over financial reporting and my 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 my audit.

MEMBER
-----AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS-----
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards 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 general purpose financial statements of the Housing Authority of the City of Mansfield, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

December 18, 2003

Jena, Louisiana

John R. Vercher

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Housing Authority of the
City of Mansfield
Mansfield, Louisiana

I have audited the general purpose financial statements of the Housing Authority of the City of Mansfield, Louisiana, as of and for the fiscal year ended September 30, 2003, and have issued my report thereon dated December 18, 2003. I conducted my 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 the Housing Authority of the City of Mansfield, Louisiana, general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Housing Authority of the City of Mansfield, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to material weaknesses.

MEMBER
-----AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS-----
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

This report is intended solely for the information of the Housing Authority of the City of Mansfield, Louisiana's management and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John R. Vercher

December 18, 2003

Jena, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

*Housing Authority of the City of Mansfield
Mansfield, Louisiana
Combined Balance Sheet – Enterprise Fund
September 30, 2003
FW – 1415*

ASSETS

Current Assets:

| | |
|--|-------------------|
| Cash and Cash Equivalents | \$ 110,200 |
| Investments | 54,389 |
| Accounts Receivable – Tenants Dwelling Rents | 20,848 |
| Allowance for Doubtful Accounts – Dwelling Rents | (2,283) |
| Interest Receivable | 18 |
| Due From Other Funds | 73,173 |
| Due From HUD | 73,173 |
| Prepaid Expenses and Other Assets | 21,552 |
| Total Current Assets | \$ 351,070 |

Fixed Assets

| | |
|--------------------------|-------------|
| Land | \$ 47,445 |
| Buildings | 5,203,465 |
| Furniture and Fixtures | 149,130 |
| Leasehold Improvements | 570,654 |
| Accumulated Depreciation | (2,867,755) |
| Construction in Progress | 102,922 |

Total Fixed Assets (Net of Accumulated Depreciation) \$ 3,205,861

TOTAL ASSETS \$ 3,556,931

LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities (Payable From Current Assets):

| | |
|---------------------------------------|-----------|
| Accounts Payable | \$ 68,335 |
| Accrued Pilot | 6,186 |
| Security Deposits | 6,409 |
| Accrued Compensated Absences, Current | 3,828 |
| Due To Low Rent | 73,173 |

Total Current Liabilities (Payable From Current Assets) \$ 157,931

Non-Current Liabilities

| | |
|--|----------|
| Accrued Compensated Absences Non-Current | \$ 4,873 |
|--|----------|

TOTAL LIABILITIES \$ 162,804

EQUITY:

Net HUD PHA Contributions \$ 3,219,557

Retained Earnings (Deficit) 174,570

TOTAL EQUITY \$ 3,394,127

TOTAL LIABILITIES AND EQUITY \$ 3,556,931

The accompanying notes are an integral part of this statement.

*Housing Authority of the City of Mansfield
Mansfield, Louisiana
Proprietary Fund Type – Enterprise Fund
Combined Statement Of Revenues, Expenses And
Changes In Retained Earnings
Year Ended September 30, 2003
FW – 1415*

| | |
|---|---------------------|
| Operating Revenues: | |
| Net Tenant Rental Revenue | \$ 125,121 |
| Other Revenue | 11,649 |
| Total Operating Revenues | <u>\$ 136,770</u> |
| Operating Expenses: | |
| Administrative Salaries | \$ 87,920 |
| Travel | 8,941 |
| EBC Administrative | 26,958 |
| Audit Fees | 3,413 |
| Other Operating – Administrative | 46,420 |
| Water | 31,385 |
| Electricity | 9,336 |
| Gas | 4,062 |
| Other Utilities | 18,473 |
| Ordinary Maintenance – Labor | 57,969 |
| Materials | 19,071 |
| Contract Cost | 21,266 |
| EBC Maintenance | 16,891 |
| Insurance | 57,515 |
| Other General Expenses | 13,270 |
| Pilot | 6,186 |
| Collection Losses | 7,200 |
| Depreciation | 289,396 |
| Total Operating Expenses | <u>\$ 725,672</u> |
| Operating Income (Loss) | <u>\$ (588,902)</u> |
| Non-Operating Revenues (Expenses) | |
| Operating Grants | \$ 361,845 |
| Capital Grants | 166,714 |
| Investment Income | 1,421 |
| Income From Disposition of Property (Fire Damage) | 6,618 |
| Total Non-Operating Revenues (Expenses) | <u>\$ 536,598</u> |
| Income (Loss) Before Operating Transfers | <u>\$ (52,304)</u> |
| Operating Transfers In (Out) | |
| Operating Transfers In | \$ 568 |
| Operating Transfers Out | (568) |
| Total Operating Transfers In (Out) | <u>\$ -0-</u> |
| Net Income (Loss) | <u>\$ (52,304)</u> |
| Add Depreciation | <u>259,933</u> |
| Increase (Decrease) in Equity | <u>\$ 207,629</u> |
| Retained Earnings - Beginning | 104,193 |
| Net HUD Contributions – Beginning | 3,342,238 |
| Depreciation Expense | (259,933) |
| Total Equity | <u>\$ 3,394,127</u> |

The accompanying notes are an integral part of this statement.

*Housing Authority of the City of Mansfield
Mansfield, Louisiana*

*Proprietary Fund Type – Enterprise Fund
Combined Statement Of Cash Flows
Year Ended September 30, 2003
FW-1415*

**CASH FLOWS FROM OPERATING
ACTIVITIES**

| | |
|---|--------------|
| Net Income (Loss) | \$ (588,902) |
| Interfund Transfers | -0- |
| Adjustment to Reconcile Net Income to Net Cash | |
| Provided by Operating Activities | |
| Depreciation | 289,396 |
| Prior Period Adjustment | (711) |
| (Increase) Decrease In: | |
| Account Receivable | (16,680) |
| Prepaid Expenses | (1,938) |
| Due From | (146,118) |
| Increase (Decrease) in: | |
| Accounts Payable | 58,242 |
| Accrued Compensated Absences | 391 |
| Due To | 59,163 |
| Accrued Liabilities | 6,186 |

**NET CASH PROVIDED (USED)
BY OPEARTING ACTIVITIES**

\$ (340,971)

**CASH FLOWS FROM INVESTING
ACTIVITIES**

Investments

\$ (19,075)

**NET CASH USED BY
INVESTING ACTIVITIES**

\$ (19,075)

**CASH FLOWS FROM FINANCING
ACTIVITIES**

| | |
|---------------------------|------------|
| Federal Operating Grants | \$ 361,844 |
| Federal Capital Grants | 166,714 |
| Fixed Assets | (153,018) |
| Security Deposits | (515) |
| Income/(Loss) Disposition | 6,618 |

**NET CASH PROVIDED (USED)
BY FINANCING ACTIVITIES**

\$ 381,643

NET INCREASE (DECREASE) IN CASH

\$ 21,597

CASH AT BEGINNING OF YEAR

88,603

CASH AT END OF YEAR

\$ 110,200

SUPPLEMENTAL DISCLOSURES

Interest Paid

\$ -0-

The accompanying notes are an integral part of this statement.

*Housing Authority of
the City of Mansfield
Mansfield, Louisiana*

Notes to the Financial Statements

(1) SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization -

The entity is chartered as a public corporation for the purpose of administering housing programs for low income families.

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 low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

The PHA applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

B. Financial Reporting -

1. Reporting entity. This report includes all funds and accounts which are controlled by the entity's governing body. Control was determined on the basis of budget adoption, authority to issue debt, authority to execute contracts and general oversight responsibility. The board is appointed by the City of Mansfield, Louisiana and is considered a related organization to that body. However, the Mansfield Housing Authority is a legally separate entity and these financial statements contain only the financial activity of the entity.

2. Fund accounting. The accounts of the Mansfield PHA (Public Housing Authority) are organized on the basis of funds, each of which is considered a separate accounting entity. The fund is reported by generic fund type in the financial statements.

PROPRIETARY FUND TYPES

Enterprise Funds

The enterprise funds are used for activities which are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

3. Basis of accounting. Basis of accounting refers to the time at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

*Housing Authority of
the City of Mansfield
Mansfield, Louisiana*

*Notes to the Financial Statements
(Continued)*

Enterprise Funds

These funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred.

(2) BUDGETING

A budget is prepared for the enterprise fund using a different presentation model than that used in these financial statements. Therefore, a budget comparison is not presented. The capital projects funds' budgets are prepared on a "project side" basis which may extend over two or more years. Thus a budget comparison is not presented.

(3) CASH AND INVESTMENTS - (CD'S IN EXCESS OF 90 DAYS)

Deposits

It is the Authority's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Authority's deposits are categorized to give an indication of the level of risk assumed by the District at year-end. The categories are describes as follows:

- *Category 1* – Insured or collateralized with securities held by the Authority or by its agent in the Authority's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.
- *Category 3* – Uncollateralized.

| | |
|-------------------------|---|
| | <u>Bank Balance</u> |
| Cash | \$ 117,900 |
| Certificates of Deposit | 54,388 |
| | <hr style="border-top: 1px dashed black;"/> |
| Total | <u>\$ 172,288</u> |
| | <u>Security</u> |
| FDIC (Category 1) | 154,388 |
| Securities (Category 2) | 156,623 |
| | <hr style="border-top: 1px dashed black;"/> |
| Total | <u>\$ 311,011</u> |

*Housing Authority of
the City of Mansfield
Mansfield, Louisiana*

*Notes to the Financial Statements
(Continued)*

(4) ACCOUNTS RECEIVABLE

The receivables at September 30, 2003 are detailed below:

| | | |
|---------------------------------|-----------|----------------------|
| Accounts Receivable Tenants | \$ | 20,848 |
| Allowance For Doubtful Accounts | | (2,283) |
| HUD Receivables | | 73,173 |
| Other Miscellaneous Receivables | | 18 |
| Totals | \$ | <u>91,756</u> |

(5) FIXED ASSETS

As noted in Note A, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

| | |
|------------------------|----------|
| Buildings | 33 Years |
| Building Improvements | 15 Years |
| Nondwelling Structures | 15 Years |
| Vehicles | 5 Years |

| | Beginning of Period | Additions | Deletions | End of Period |
|---------------------------------------|--------------------------------|---------------------|-----------------------|--------------------------|
| Land | \$ 47,446 | \$ -0- | \$ -0- | \$ 47,446 |
| Buildings | 3,470,159 | 1,310,839 | -0- | 4,780,998 |
| Furniture & Equipment Etc. | 73,799 | 29,965 | -0- | 103,764 |
| Leasehold Improvements | 570,654 | -0- | -0- | 570,654 |
| Total | \$ 4,162,058 | \$ 1,340,804 | \$ -0- | \$ 5,502,862 |
| Accumulated Depreciation | \$ 2,517,002 | \$ 331,527 | \$ -0- | \$ 2,848,529 |
| | | | | |
| CIAP 1998 | \$ 1,071,316 | \$ -0- | \$ (1,071,316) | \$ -0- |
| CIAP 1999 | 268,777 | -0- | (268,777) | -0- |
| CFP 2000 | 212,207 | 21,307 | -0- | 233,514 |
| CFP 2001 | 225,039 | 33,528 | -0- | 258,567 |
| CPF 2002 | -0- | 111,879 | -0- | 111,879 |
| Total Construction in Progress | \$ 1,777,339 | \$ 166,714 | \$ (1,340,093) | \$ 603,960 |
| | | | | |
| Accumulated Depreciation | \$ 80,866 | \$ 29,463 | \$ (70,768) | \$ 39,561 |

All land and buildings are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

*Housing Authority of
the City of Mansfield
Mansfield, Louisiana*

*Notes to the Financial Statements
(Continued)*

(6) CONTINGENCIES

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries.

(7) COMMISSIONERS

| Name | Title | Salary |
|--------------------|---------------|--------|
| Ned Mc Cray | Chairman | \$ -0- |
| John Mayweather | Vice-Chairman | -0- |
| Gilbert Stoma | Commissioner | -0- |
| Mildred Youngblood | Commissioner | -0- |

(8) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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.

(9) ENCUMBRANCES

The Authority does not utilize encumbrance accounting.

(10) DUE TO DUE FROM

| | DUE TO | DUE FROM |
|--------------|-----------|-----------|
| Low Rent | \$ 73,173 | \$ -0- |
| CFP 2002 | -0- | 73,173 |
| Total | \$ 73,173 | \$ 73,173 |

PROPRIETARY FUND TYPES
ENTERPRISE FUNDS
COMBINING

*Housing Authority of the City of Mansfield
Mansfield, Louisiana*

*Proprietary Fund Type – Enterprise Fund
Combining Balance Sheet
Year Ended September 30, 2003
FW – 1415*

| | <u>Low Rent</u> | <u>2002 CFP</u> | <u>2001 CFP</u> | <u>2000 CFP</u> | <u>TOTAL</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents | \$ 110,200 | \$ -0- | \$ -0- | \$ -0- | \$ 110,200 |
| Investments | 54,389 | -0- | -0- | -0- | 54,389 |
| Accounts Receivable – Tenants Dwelling Rents | 20,848 | -0- | -0- | -0- | 20,848 |
| Allowance for Doubtful Accounts – Dwelling Rents | (2,283) | -0- | -0- | -0- | (2,283) |
| Interest Receivable | 18 | -0- | -0- | -0- | 18 |
| Due From Other Funds | 73,173 | -0- | -0- | -0- | 73,173 |
| Due From HUD | -0- | 73,173 | -0- | -0- | 73,173 |
| Prepaid Expenses and Other Assets | 21,552 | -0- | -0- | -0- | 21,552 |
| Total Current Assets | <u>\$ 277,897</u> | <u>\$ 73,173</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 351,070</u> |
| Fixed Assets | | | | | |
| Land | \$ 47,445 | \$ -0- | \$ -0- | \$ -0- | \$ 47,445 |
| Buildings | 4,747,793 | -0- | 237,901 | 217,771 | 5,203,465 |
| Furniture & Fixtures | 103,764 | 8,957 | 20,666 | 15,743 | 149,130 |
| Leasehold Improvements | 570,654 | -0- | -0- | -0- | 570,654 |
| Accumulated Depreciation | (2,828,194) | (383) | (16,049) | (23,129) | (2,867,755) |
| Construction in Progress | -0- | 102,922 | -0- | -0- | 102,922 |
| Total Fixed Assets (Net of Accumulated Depreciation) | <u>\$ 2,641,462</u> | <u>\$ 111,496</u> | <u>\$ 242,518</u> | <u>\$ 210,385</u> | <u>\$ 3,205,861</u> |
| TOTAL ASSETS | <u>\$ 2,919,359</u> | <u>\$ 184,669</u> | <u>\$ 242,518</u> | <u>\$ 210,385</u> | <u>\$ 3,556,931</u> |
| LIABILITIES AND EQUITY | | | | | |
| LIABILITIES | | | | | |
| Current Liabilities (Payable From Current Assets): | | | | | |
| Accounts Payable | \$ 68,335 | \$ -0- | \$ -0- | \$ -0- | \$ 68,335 |
| Accrued Pilot | 6,186 | -0- | -0- | -0- | 6,186 |
| Security Deposits | 6,409 | -0- | -0- | -0- | 6,409 |
| Accrued Compensated Absences, Current | 3,828 | -0- | -0- | -0- | 3,828 |
| Due To Low Rent | -0- | 73,173 | -0- | -0- | 73,173 |
| Total Current Liabilities (Payable From Current Assets) | <u>\$ 84,758</u> | <u>\$ 73,173</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 157,931</u> |
| Non-Current Liabilities | | | | | |
| Accrued Compensated Absences | \$ 4,873 | \$ -0- | \$ -0- | \$ -0- | \$ 4,873 |
| TOTAL LIABILITIES | <u>\$ 89,631</u> | <u>\$ 73,173</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 162,804</u> |
| Equity: | | | | | |
| Net HUD PHA Contributions | \$ 2,655,158 | \$ 111,496 | \$ 242,518 | \$ 210,385 | \$ 3,219,557 |
| Retained Earnings (Deficit) | 174,570 | -0- | -0- | -0- | 174,570 |
| Total Equity | <u>\$ 2,829,728</u> | <u>\$ 111,496</u> | <u>\$ 242,518</u> | <u>\$ 210,385</u> | <u>\$ 3,394,127</u> |
| Total Liabilities and Equity | <u>\$ 2,919,359</u> | <u>\$ 184,669</u> | <u>\$ 242,518</u> | <u>\$ 210,385</u> | <u>\$ 3,556,931</u> |

The accompanying notes are an integral part of this statement.

Housing Authority of the City of Mansfield
Proprietary Fund Type – Enterprise Fund
Combining Statement Of Revenues, Expenses And
Changes In Retained Earnings
Year Ended September 30, 2002
FW - 1415

| | Low Rent | 1998 CIAP | 1999 CIAP |
|---|---------------------|------------------|----------------|
| Operating Revenues: | | | |
| Net Tenant Rental Revenue | \$ 125,121 | \$ -0- | \$ -0- |
| Other Revenue | 11,649 | -0- | -0- |
| Total Operating Revenues | \$ 136,770 | \$ -0- | \$ -0- |
| Operating Expenses: | | | |
| Administrative Salaries | \$ 87,920 | \$ -0- | \$ -0- |
| Travel | 8,941 | -0- | -0- |
| EBC Administrative | 26,958 | -0- | -0- |
| Audit Fees | 3,413 | -0- | -0- |
| Other Operating – Administrative | 39,212 | -0- | -0- |
| Water | 31,385 | -0- | -0- |
| Electricity | 9,336 | -0- | -0- |
| Gas | 4,062 | -0- | -0- |
| Other Utilities | 18,473 | -0- | -0- |
| Ordinary Maintenance – Labor | 57,969 | -0- | -0- |
| Materials | 19,071 | -0- | -0- |
| Contract Cost | 21,266 | -0- | -0- |
| EBC Maintenance | 16,891 | -0- | -0- |
| Insurance | 57,515 | -0- | -0- |
| Other General Expenses | 13,270 | -0- | -0- |
| Pilot | 6,186 | -0- | -0- |
| Collection Losses | 7,200 | -0- | -0- |
| Relocation Expense | -0- | -0- | -0- |
| Depreciation | 259,933 | -0- | -0- |
| Total Operating Expenses | \$ 689,001 | \$ -0- | \$ -0- |
| Operating Income (Loss) | \$ (552,231) | \$ -0- | \$ -0- |
| Non-Operating Revenues (Expenses) | | | |
| Federal Operating Grants | \$ 354,068 | \$ -0- | \$ -0- |
| Federal Capital Grants | -0- | -0- | -0- |
| Investment Income | 1,421 | -0- | -0- |
| Income From Disposition of Property (Fire Damage) | 6,618 | -0- | -0- |
| Total Non-Operating Revenues (Expenses) | \$ 362,107 | \$ -0- | \$ -0- |
| Income (Loss) Before Operating Transfers | \$ (190,124) | \$ -0- | \$ -0- |
| Operating Transfers In (Out) | | | |
| Operating Transfers In | \$ 568 | \$ -0- | \$ -0- |
| Operating Transfers Out | -0- | -0- | -0- |
| Total Operating Transfers In (Out) | \$ 568 | \$ -0- | \$ -0- |
| Net Income (Loss) | \$ (189,556) | \$ -0- | \$ -0- |
| Add Depreciation | 259,933 | -0- | -0- |
| Increase (Decrease) in Equity | \$ 70,377 | \$ -0- | \$ -0- |
| Retained Earnings - Beginning | 104,193 | | |
| Retained Earnings – Ending | \$ 174,570 | | |
| Net HUD Contributions – Beginning | \$ 1,645,766 | 1,025,210 | 244,115 |
| Depreciation Expense | (259,933) | -0- | -0- |
| Equity Transfers | 1,269,325 | (1,025,210) | (244,115) |
| Net HUD Contributions - Ending | \$ 2,655,158 | -0- | \$ -0- |

The accompanying notes are an integral part of this statement.

| 2000 CFP | 2001 CFP | 2002 CFP | TOTAL |
|--------------------|--------------------|-------------------|---------------------|
| \$ -0- | \$ -0- | \$ -0- | \$ 125,121 |
| -0- | -0- | -0- | 11,649 |
| <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 136,770</u> |
| \$ -0- | \$ -0- | \$ -0- | \$ 87,920 |
| -0- | -0- | -0- | 8,941 |
| -0- | -0- | -0- | 26,958 |
| -0- | -0- | -0- | 3,413 |
| 450 | 2,675 | 2,997 | 45,334 |
| -0- | -0- | -0- | 31,385 |
| -0- | -0- | -0- | 9,336 |
| -0- | -0- | -0- | 4,062 |
| -0- | -0- | -0- | 18,473 |
| -0- | -0- | -0- | 57,969 |
| -0- | -0- | -0- | 19,071 |
| -0- | -0- | -0- | 21,266 |
| -0- | -0- | -0- | 16,891 |
| -0- | -0- | -0- | 57,515 |
| -0- | -0- | -0- | 13,270 |
| -0- | -0- | -0- | 6,186 |
| -0- | -0- | -0- | 7,200 |
| -0- | 836 | 250 | 1,086 |
| 15,752 | 13,328 | 383 | 289,396 |
| <u>\$ 16,202</u> | <u>\$ 16,839</u> | <u>\$ 3,630</u> | <u>\$ 725,672</u> |
| <u>\$ (16,202)</u> | <u>\$ (16,839)</u> | <u>\$ (3,630)</u> | <u>\$ (588,902)</u> |
| \$ 450 | \$ 4,079 | \$ 3,247 | \$ 361,844 |
| 21,307 | 33,529 | 111,879 | 166,715 |
| -0- | -0- | -0- | 1,421 |
| -0- | -0- | -0- | 6,618 |
| <u>\$ 21,757</u> | <u>\$ 37,608</u> | <u>\$ 115,126</u> | <u>\$ 536,598</u> |
| <u>\$ 5,555</u> | <u>\$ 20,769</u> | <u>\$ 111,496</u> | <u>\$ (52,304)</u> |
| \$ -0- | \$ -0- | \$ -0- | \$ 568 |
| -0- | (568) | -0- | (568) |
| <u>\$ -0-</u> | <u>\$ (568)</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| \$ 5,555 | \$ 20,201 | \$ 111,496 | \$ (52,304) |
| -0- | -0- | -0- | 259,933 |
| <u>\$ 5,555</u> | <u>\$ 20,201</u> | <u>\$ 111,496</u> | <u>\$ 207,629</u> |
| | | | 104,193 |
| 204,830 | 222,317 | -0- | 3,342,238 |
| -0- | -0- | -0- | (259,933) |
| -0- | -0- | -0- | -0- |
| <u>\$ 210,385</u> | <u>\$ 242,518</u> | <u>\$ 111,496</u> | <u>\$ 3,394,127</u> |

*Housing Authority of the City of Mansfield
Mansfield, Louisiana*

*Proprietary Fund Type – Enterprise Fund
Combining Statement of Cash Flows
For Fiscal Year Ended September 30, 2003*

| | Low Rent | 2002 CFP | 2001 CFP | 2000 CFP | Total |
|---|---------------------|-------------------|-------------------|-----------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Net Income (Loss) | \$ (552,231) | \$ (3,630) | \$ (16,839) | \$ (16,202) | \$ (588,902) |
| Interfund Transfers | 568 | -0- | (568) | -0- | -0- |
| Adjustment to Reconcile Net Income to Net Cash | | | | | |
| Provided by Operating Activities | | | | | |
| Depreciation | 259,933 | 383 | 13,328 | 15,752 | 289,396 |
| Prior Period Adjustment | (711) | -0- | -0- | -0- | (711) |
| (Increase) Decrease In: | | | | | |
| Account Receivable | (16,680) | -0- | -0- | -0- | (16,680) |
| Prepaid Expenses | (1,938) | -0- | -0- | -0- | (1,938) |
| Due From | (72,945) | (73,173) | -0- | -0- | (146,118) |
| Increase (Decrease) in: | | | | | |
| Accounts Payable | 58,242 | -0- | -0- | -0- | 58,242 |
| Accrued Compensated Absences | 391 | -0- | -0- | -0- | 391 |
| Due To | (14,010) | 73,173 | -0- | -0- | 59,163 |
| Accrued Liabilities | 6,186 | -0- | -0- | -0- | 6,186 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ (333,195) | \$ (3,247) | \$ (4,079) | \$ (450) | \$ (340,971) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Investments | \$ (19,075) | \$ -0- | \$ -0- | \$ -0- | \$ (19,075) |
| NET CASH USED BY INVESTING ACTIVITIES | \$ (19,075) | \$ -0- | \$ -0- | \$ -0- | \$ (19,075) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Federal Operating Grants | \$ 354,068 | \$ 3,247 | \$ 4,079 | \$ 450 | \$ 361,844 |
| Federal Capital Grants | -0- | 111,879 | 33,528 | 21,307 | 166,714 |
| Fixed Assets | 13,696 | (111,879) | (33,528) | (21,307) | (153,018) |
| Security Deposits | (515) | -0- | -0- | -0- | (515) |
| Income (Loss) Disposition | 6,618 | -0- | -0- | -0- | 6,618 |
| NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES | \$ 373,867 | \$ 3,247 | \$ 4,079 | \$ 450 | \$ 381,643 |
| NET INCREASE (DECREASE) IN CASH | \$ 21,597 | \$ -0- | \$ -0- | \$ -0- | \$ 21,597 |
| CASH AT BEGINNING OF YEAR | 88,603 | -0- | -0- | -0- | 88,603 |
| CASH AT END OF YEAR | \$ 100,200 | \$ -0- | \$ -0- | \$ -0- | \$ 110,200 |
| SUPPLEMENTAL DISCLOSURES | | | | | |
| Interest Paid | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- |

The accompanying notes are an integral part of this statement.

Supplementary Information

*Housing Authority of the City of Mansfield
Mansfield, Louisiana*

*Statement and Certification of Actual Modernization Cost
Annual Contribution Contract
FW - 1415*

| | <u>CIAP Project 2000</u> | <u>CFP Project 2001</u> | <u>CFP Project 2002</u> | <u>Total</u> |
|--|----------------------------------|---------------------------------|---------------------------------|--------------------|
| 1. The Actual Modernization Costs are as follows: | | | | |
| Funds Approved Total | \$ 295,436 | \$ 301,435 | \$ 280,553 | \$ 877,424 |
| Funds Expended Y-T-D | <u>(295,436)</u> | <u>(301,435)</u> | <u>(115,126)</u> | <u>(711,997)</u> |
| Excess of Funds Approved | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 165,427</u> | <u>\$ 165,427</u> |
| 2. Funds Advanced Y-T-D | \$ 295,436 | \$ 301,435 | \$ 41,953 | \$ 638,824 |
| Funds Expended Y-T-D | <u>(295,436)</u> | <u>(301,435)</u> | <u>(115,126)</u> | <u>(711,997)</u> |
| Excess of Funds Advanced | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ (73,173)</u> | <u>\$ (73,173)</u> |

The accompanying notes are an integral part of this statement.

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

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

Housing Authority of the
City of Mansfield
Mansfield, Louisiana

COMPLIANCE

I have audited the compliance of Housing Authority of the City of Mansfield, Louisiana, 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. The Housing Authority of the City of Mansfield, Louisiana's major federal programs are identified in the summary of auditor's 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 Housing Authority of the City of Mansfield Louisiana's management. My responsibility is to express an opinion on Housing Authority of the City of Mansfield, Louisiana's compliance based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Housing Authority of the City of Mansfield, Louisiana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Housing Authority of the City of Mansfield, Louisiana's compliance with those requirements.

In my opinion, Housing Authority of the City of Mansfield, Louisiana 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, 2003.

Internal Control Over Compliance

The management of Housing Authority of the City of Mansfield, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Housing Authority of the City of Mansfield, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My 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 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John R. Vercher

Jena, Louisiana
December 18, 2003

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

| U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | Federal CFDA Number | Agency Or Pass-Through Number | Federal Disbursements/ Expenditures |
|--|------------------------------------|--|--|
| Low Income Housing Operating Subsidy Contract # Fw-390 | 14.850 | N/A | \$ 354,068 |
| 2000 CFP | 14.872 | N/A | 21,757 |
| 2001 CFP | 14.872 | N/A | 37,608 |
| 2002 CFP | 14.872 | N/A | 115,126 |
| | | | <u>\$ 528,559</u> |

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Single Audit Requirements

In July 1996, the Single Audit Act Amendments of 1996 (1996 Act) were enacted and superseded the Single Audit Act of 1984. In June 1997 OMB issued a revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, to implement the changes from the 1996 Act and to rescind Circular A-128. The new requirements state that an entity expending \$300,000 or more of federal funds adhere to the requirements of Single Audit.

The funds used to account for these funds use the accrual basis of accounting.

Supplementary schedule. Presented for purposes of additional analysis only.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended September 30, 2003**

I have audited the general purpose financial statements of the Housing Authority of the City of Mansfield, Louisiana, as of and for the year ended September 30, 2003 and have issued my report thereon dated December 18, 2003. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of September 30, 2003 resulted in a unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weaknesses Yes No Reportable Conditions Yes No

Compliance
Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control
Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are the findings required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification Of Major Programs:

| CFDA Number (s) | Name Of Federal Program (or Cluster) |
|-----------------|--------------------------------------|
| 14.850 | Low Income Housing Operating Subsidy |

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST
*For the Year Ended September 30, 2003***

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

No items to report.

Section III Federal Awards Findings and Questioned Costs

No items to report.

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

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Housing Authority of the City of Mansfield, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended September 30, 2002.

There were no prior year audit findings.

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

*Schedule of Audit Adjusting Entries
For the Year Ended September 30, 2003*

LOW RENT

| | | | | |
|-------------|--------------|---|--------|--------|
| AJE1 | 2290 | Deferred Credit | 20,314 | |
| | 14005 | Accumulated Depreciation | 20,335 | |
| | 1460 | Dwelling Structure | | 33,205 |
| | 4800 | Depreciation Expense | | 826 |
| | 6110 | Gain/Loss Disposition of Property | | 6,618 |
| | | To adjust Deferred Credits of insurance payment for fire loss and record impairment of assets. | | |