



**HEADING AUTHORITY OF THE TOWN OF HAYNESVILLE  
HAYNESVILLE, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, 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: DEC 30 1996

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HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
HAYNESVILLE, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
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HAYNESVILLE, LOUISIANA

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## INDEPENDENT AUDITORS' REPORT

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

U. S. Department of Housing and Urban Development  
Housing Management Division  
581 Magazine Street, 9th Floor  
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Housing Authority of the Town of Haynesville as of and for the year ended September 30, 1995, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, (Government Auditing Standards) issued by the Comptroller General of the United States and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Haynesville as of September 30, 1995, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Housing Authority of the Town of Haynesville. The accompanying supplemental information is identified as:

- A. Supplemental Information Schedules - Generally Accepted Accounting Principles Basis has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

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

B. Supplemental Information Schedule - HUD Prescribed Format, which is an Other Comprehensive Basis of Accounting, has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the following differences, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole:

	GAAP Basis	HUD Prescribed Format
Financial statement presentation		
Fund accounting	Used	Not used
Facilities acquisition and construction	Expenditures	Capitalized
Rentals (prior year adjustments)	Beginning fund balance adjusted	Current expenditures in receipt
Principal payments on notes and bonds	Expenditure	Reduction of the liability
Receipts from federal sources	Revenue	Credited to surplus
BASIS OF ACCOUNTING		
Federal Grants for Capital Projects	Modified Accrual	Cash
Interest expense	Modified Accrual	Accrual
Loss on disposition of equipment	Modified Accrual	Accrual

In accordance with Government Auditing Standards, we have also issued a report dated April 24, 1997 on our consideration of the Housing Authority's internal control structure and a report dated April 24, 1997 on its compliance with laws and regulations.

*Allen Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
April 24, 1997

HOUSING AUTHORITY OF THE TOWN OF RAYNEVILLE  
Rayneville, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS  
Combined Balance Sheet  
September 30, 1999

	GOVERNMENTAL FUNDS			
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 53,800	\$ 34,987	\$ 4,407	\$ 27,895
Receivables	4,294	0	130,811	38,457
Interfund receivables	0	0	0	34,887
Prepaid insurance	8,000	0	0	0
Land, buildings and equipment	0	0	0	0
<b>Other debits:</b>				
Amount available in debt service fund	0	0	0	0
Amount to be provided for payment of general long-term debt	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 66,094</b>	<b>\$ 35,087</b>	<b>\$ 135,218</b>	<b>\$ 66,352</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	\$ 13,875	0	0	38,457
Interfund payable	34,987	0	0	0
Deposits due others	0	0	0	0
Deferred revenues	680	35,087	130,811	62,703
Notes and bonds payable	0	0	0	0
<b>Total Liabilities</b>	<b>\$ 49,542</b>	<b>\$ 35,087</b>	<b>\$ 130,811</b>	<b>\$ 101,160</b>
<b>Equity and other credits:</b>				
Investments in general fixed assets	\$ 0	0	0	0
<b>Fund balances:</b>				
Reserved for debt service	0	0	4,407	0
Reserved for prepaid accounts	8,000	0	0	0
Unexpended and unassigned	8,094	0	0	0
<b>Total Equity and other credits</b>	<b>\$ 16,094</b>	<b>\$ 0</b>	<b>\$ 4,407</b>	<b>\$ 0</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 65,636</b>	<b>\$ 35,087</b>	<b>\$ 135,218</b>	<b>\$ 101,160</b>

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

## Statement A

FEDERAL - AGENCY FUND	****ACCOUNT GROUPS****		TOTAL MEMORANDUM (ONLY)
	GENERAL FUND ASSETS	GENERAL LONG TERM LIABILITIES	
\$ 1,000 \$	\$ 0 \$	\$ 0 \$	\$ 110,760
\$ 0	\$ 0	\$ 0	\$ 179,760
\$ 0	\$ 0	\$ 0	\$ 0,000
\$ 0	\$ 0	\$ 0	\$ 0,000
\$ 0	\$ 0,247,000	\$ 0	\$ 0,247,000
\$ 0	\$ 0	\$ 4,407	\$ 4,407
\$ 0	\$ 0	\$ 1,440,012	\$ 1,440,012
<u>\$ 1,000 \$</u>	<u>\$ 0,247,000 \$</u>	<u>\$ 1,440,012 \$</u>	<u>\$ 1,687,132</u>
\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 20,400
\$ 0	\$ 0	\$ 0	\$ 24,887
\$ 2,329	\$ 0	\$ 0	\$ 3,300
\$ 0	\$ 0	\$ 0	\$ 200,517
\$ 0	\$ 0	\$ 1,440,012	\$ 1,440,012
<u>\$ 2,329 \$</u>	<u>\$ 0 \$</u>	<u>\$ 1,440,012 \$</u>	<u>\$ 1,765,017</u>
\$ 0 \$	\$ 0,247,000 \$	\$ 0 \$	\$ 0,247,000
\$ 0	\$ 0	\$ 0	\$ 4,407
\$ 0	\$ 0	\$ 0	\$ 0,000
\$ 0	\$ 0	\$ 0	\$ 0,000
<u>\$ 0 \$</u>	<u>\$ 0,247,000 \$</u>	<u>\$ 0 \$</u>	<u>\$ 0,251,407</u>
<u>\$ 1,000 \$</u>	<u>\$ 0,247,000 \$</u>	<u>\$ 1,440,012 \$</u>	<u>\$ 1,687,132</u>



**HOUSING AUTHORITY OF THE TOWN OF HAYMEVILLE**  
Haymeville, Louisiana

**ALL GOVERNMENTAL FUNDS**  
**Condensed Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended September 30, 1999**

Statement B

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUNDS</b>	<b>DEBT SERVICE FUND</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>TOTAL MEMORANDUM TOTAL</b>
<b>REVENUES</b>					
Local sources:					
Dwelling rental	\$ 88,521	\$ 0	\$ 0	\$ 0	\$ 88,521
Earnings on investments	3,857	0	0	0	3,857
Other	12,870	0	0	0	12,870
Federal sources:					
Operating subsidy	152,380	0	0	0	152,380
Annual contributions	0	0	185,091	0	185,091
Grants	0	20,812	0	127,488	150,100
<b>Total revenues</b>	<b>\$ 254,558</b>	<b>\$ 20,812</b>	<b>\$ 185,091</b>	<b>\$ 127,488</b>	<b>\$ 587,949</b>
<b>EXPENDITURES</b>					
Current:					
Administration	\$ 88,248	\$ 0	\$ 0	\$ 0	\$ 88,248
Tenant services	5,474	0	0	0	5,474
Utilities	82,350	0	0	0	82,350
Ordinary maintenance & operations	82,083	0	0	0	82,083
General expenditures	50,182	0	0	0	50,182
Facilities acquisition and construction	5,811	22,812	0	127,488	156,111
Debt service:					
Principal retirement	0	0	46,343	0	46,343
Interest and bank charges	0	0	87,824	0	87,824
<b>Total expenditures</b>	<b>\$ 294,063</b>	<b>\$ 22,812</b>	<b>\$ 134,167</b>	<b>\$ 127,488</b>	<b>\$ 578,530</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (39,505)</b>	<b>\$ 0</b>	<b>\$ 50,924</b>	<b>\$ 0</b>	<b>\$ (38,581)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>49,433</b>	<b>0</b>	<b>3,343</b>	<b>0</b>	<b>52,776</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 9,928</b>	<b>\$ 0</b>	<b>\$ 54,847</b>	<b>\$ 0</b>	<b>\$ 54,775</b>

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

**HOUSING AUTHORITY OF THE TOWN OF RAYNEVILLE**  
 Rayneville, Louisiana

**GOVERNMENTAL FUNDS - GENERAL FUND**  
 Statement of Revenue, Expenditures, and Changes  
 in Fund Balances - Budget (GAAP Basis) and Actual  
 For the Year Ended September 30, 1993

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Local sources:			
Dwelling rental	\$ 87,800	\$ 88,331	\$ 531
Earnings on investments	8,075	2,857	(5,218)
Other	833	12,875	12,042
Federal sources:			
Operating subsidy	<u>132,392</u>	<u>132,392</u>	<u>0</u>
Total revenues:	<u>\$ 229,090</u>	<u>\$ 228,655</u>	<u>\$ 435</u>
<b>EXPENDITURES</b>			
Current:			
Administration	\$ 89,248	\$ 89,248	\$ (0)
Tennis services	5,080	5,414	(334)
Utilities	45,280	63,583	(17,303)
Ordinary maintenance & operations	60,360	63,883	(3,523)
General expenditures	42,830	38,183	4,647
Facilities acquisition and construction	<u>5,882</u>	<u>5,811</u>	<u>7,111</u>
Total expenditures:	<u>\$ 249,678</u>	<u>\$ 266,962</u>	<u>\$ (22,284)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (20,588)</u>	<u>\$ (37,415)</u>	<u>\$ (16,827)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>48,433</u>	<u>48,433</u>	<u>0</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 27,845</u>	<u>\$ 11,018</u>	<u>\$ (16,827)</u>

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

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

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**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
Haynesville, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996**

**INTRODUCTION**

Housing Authorities are chartered as public corporations under the laws (LSA RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations for residents. This mission was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in each city or parish. The Housing Authority of the Town of Haynesville is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Haynesville, serve a two-year term.

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-cost housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of housing units and to make interest contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-cost character.

The Housing Authority had 128 units in management at projects LA 96-17 under HUD contract FW 1421.

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

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Housing Authority of the Town of Haynesville have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

GASB Statement No. 14 established criteria for determining the governmental reporting entity, and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and financially independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds and (4) authority to issue debt, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, account groups, activities, or centers that are within the oversight responsibility of the Housing Authority.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school boards, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority.

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. FUND ACCOUNTING

The Housing Authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the Housing Authority are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds** — Governmental funds account for all or most of the Housing Authority's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fund assets, and the servicing of general long-term debt. Governmental funds include:

1. **General Fund** — the general operating fund of the Housing Authority accounts for all forms of revenues, except those required to be accounted for in other funds.
2. **Special Revenue Funds** — account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
3. **Debt Service Fund** — accounts for transactions relating to monies retained and used for the payment of principal and interest on these long-term obligations recorded in the general long-term obligations account group.
4. **Capital Projects Funds** — account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Fiduciary Funds** — Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Housing Authority. Fiduciary funds include:

1. **Tenant Security Deposits** — account for assets held by the Housing Authority as an agent for the individual tenants.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** — Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal entitlement grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest-bearing demand deposits is recorded each month when credited to the bank to the account.

Substantially all other revenues are recorded when they become available to the Housing Authority.

**Expenditures** — Salaries are recorded as expenditures when paid.

Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employe(s) (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Principal and interest on general long-term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

**E. BUDGETS**

The following summarizes the budget activities of the Housing Authority during the year ended September 30, 1996:

1. The Housing Authority adopted budgets for the General Fund, the Special Revenue Fund, and the Capital Projects Funds. The Special Revenue Fund and the Capital Projects Funds budget to actual comparison have not been included since the projects are multiple-year endeavors.

**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
**Haynesville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. BUDGETS (Continued)**

- The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
- Encumbrances are not recognized within the accounting records for budgetary control purposes.
- Fiscal budget integration (within the accounting records) is employed as a management control device.
- BLID approves all budgets adopted by the Housing Authority.

**F. ENCUMBRANCES**

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

**G. CASH AND CASH EQUIVALENTS**

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

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**H. PREPAID INSURANCE**

The Housing Authority incurs a prepaid expense for property, auto, liability and bonding insurance. Insurance is set up as prepaid at the time of payment and amortized monthly.

**I. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets.

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. COMPENSATED ABSENCES**

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to two hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges, computed in accordance with GASB Codification Section 608, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligation account group. Leave benefits are based on accrued leave benefits of employees with ten years service to a maximum of twenty-five days at their current annual salary. At September 30, 1996, the Housing Authority had no leave benefits payable to employees of the Housing Authority.

**K. LONG-TERM OBLIGATIONS**

Long-term obligations reported to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

**L. FUND EQUITY**

**RESERVE** — Reserves represent those portions of fund equity not appropriate for expenditures or liability recognized for a specific future use.

**M. DEFERRED REVENUES**

The Housing Authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

**N. TOTAL COLUMNS ON COMBINED STATEMENTS**

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.



**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
**Haynesville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1998**

**NOTE 2 - EXPENDITURES - BUDGET AND ACTUAL**

General Fund	Budget	Actual	Unfavorable Variance
Revenues			
Earnings on investments	\$ 6,076	\$ 2,853	\$ 3,223
Expenditures			
Administration	86,990	89,345	2,355
Tenant services	5,000	5,414	2,414
Utilities	45,200	62,558	17,358
Ordinary maintenance & operations	80,050	85,893	5,843
Facilities acquisition and construction	3,800	5,811	2,011

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At year-end, the Housing Authority's carrying amount of deposits was \$115,760 and the bank balance was \$112,081. Of the bank balance, \$112,000 was covered by federal depository insurance.

Deposits of \$1,320 and \$4,487 are restricted for payment of tenants security deposits and payment of bonded individuals respectively.

**NOTE 4 - RECEIVABLES**

The receivables of \$179,782 at September 30, 1998, are as follows:

Class of Receivables	General Fund	Debt Service Fund	Capital Projects Funds	Total
Local sources:				
Tenants	\$4,671	\$ -	\$ -	\$ 4,671
Other	1,623	-	-	1,623
Federal sources:				
Dues from HUD	-----	135,011	39,457	174,468
Total	<u>\$6,324</u>	<u>\$135,011</u>	<u>\$39,457</u>	<u>\$179,792</u>

**HOUSING AUTHORITY OF THE TOWN OF BAYNEVILLE**  
**Bayneville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996**

**NOTE 5 - FIXED ASSETS**

The changes in general fixed assets are as follows:

	Balance October 1, 1995	Additions	Deletions	Balance September 30, 1996
Land	\$ 73,366	\$ -	\$ -	\$ 73,366
Buildings	2,099,899	1,689,818	-	3,789,717
Furniture and equipment	93,934	38,435	-	132,370
Construction in progress	2,818,831	177,895	1,689,818	1,306,908
<b>Total</b>	<b>\$5,085,030</b>	<b>\$1,906,148</b>	<b>\$1,689,818</b>	<b>\$5,299,360</b>

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the U. S. Government.

**NOTE 6 - INTERFUND RECEIVABLE AND PAYABLE**

The composition of interfund balance as of September 30, 1996, is as follows:

Fund	Receivable Amount	Payable Amount
General Fund	\$ -	\$34,897
Project LA 95-0042 Capital Projects Fund	34,897	-
<b>Total</b>	<b>\$34,897</b>	<b>\$34,897</b>

**NOTE 7 - ACCOUNTS PAYABLE**

The payables of \$53,417 as September 30, 1996, are as follows:

	General Fund	Capital Projects Funds	Total
Vendors	\$ 8,138	\$ -	\$ 8,138
Construction	-	38,457	38,457
Payroll liabilities	3,829	-	3,829
<b>Total</b>	<b>\$11,967</b>	<b>\$38,457</b>	<b>\$50,424</b>

**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
**Haynesville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996**

**NOTE 8 - CHANGES IN DEPOSITS DUE OTHERS**

	Balance October 1, 1995	Additions	Deductions	Balance September 30, 1996
Agency funds:				
Tenant Security Deposits	\$1,645	\$475	\$1,000	\$2,120

**NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended September 30, 1996:

	Notes and Bonds
Balance, October 1, 1995	\$1,481,537
Additions	-
Deductions	(6,212)
Balance, September 30, 1996	\$1,475,325

The following notes and bonds outstanding as September 30, 1996, are HUD-guaranteed with maturities from 1996 to 2012 and interest rates from 5.17% to 6.88% per year. Bond principal and interest payable in the next fiscal year are \$50,816 and \$80,150, respectively. The individual issues are as follows:

	Original Issue	Interest Rates	First Payment Date	Principal Outstanding September 30, 1996
Project Notes - NonHED				
LA 96-3	\$ -	6.88%		\$ -
Federal Financing Bonds				
LA 96-2	1,800,374	6.80%	2013	738,417
Single Issue Bonds				
LA 96-1	1,682,000	5.17%	2013	766,509
Total				\$1,475,325

**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
**Haynesville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996**

**NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (Continued)**

All principal and interest requirements are funded in accordance with Federal law by the annual contributions from U. S. Department of Housing and Urban Development. At September 30, 1996, the Housing Authority has accumulated \$4,487 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending September 30,	Principal Payments	Interest Payments	Total
1997	\$ 80,528	\$ 84,243	\$ 164,771
1998	53,635	80,805	134,440
1999	57,440	77,853	135,293
2000	60,865	74,718	135,583
2001	62,538	71,887	134,425
2002-2013	<u>1,179,813</u>	<u>481,839</u>	<u>1,661,652</u>
Total	<u>\$2,845,629</u>	<u>\$871,917</u>	<u>\$3,717,546</u>

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

At September 30, 1996, the Housing Authority is not involved in any litigation.

There are certain major construction projects in progress on September 30, 1996. These include modernizing rental units at practically all of the two projects. As approved by HUD, these projects are being funded by HUD. Funds are accounted periodically as the cost is incurred.

The Housing Authority participates in a number of Federally assisted grant programs. Although the grant programs have been assisted in accordance with the Single Audit Act of 1984 through September 30, 1996, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**ISSUING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
**Haynesville, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES -**  
**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS**

HOUSING AUTHORITY OF THE TOWN OF BAYNEVILLE  
Bayneville, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES - GAAP BASIS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

**CAPITAL PROJECTS FUNDS**

**PROJECT LA 96-9012**

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 96-9012 is a federal (HUD) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 96-102.

**PROJECT LA 96-9013**

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 96-9013 is a federal (HUD) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 96-102.

**PROJECT LA 96-9015**

(Comprehensive Improvement Assistance Program, CFDA# 14.852)

Project LA 96-9015 is a federal (HUD) funded "Comprehensive Improvement Assistance Program" for modernizing project LA 96-102.

**HOUSING AUTHORITY OF THE TOWN OF RAYNESVILLE**  
Raynesville, Louisiana

**CAPITAL PROJECTS FUNDS**  
Combining Balance Sheet  
September 30, 1998

Schedule 1

	PROJECT LA 98-0012	PROJECT LA 98-0012	PROJECT LA 98-0012	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 0	\$ 0	\$ 1,190	\$ 27,606
Receivables	\$ 0	\$ 22,045	\$ 18,418	\$ 40,463
Intertial receivable	\$ 0	\$ 34,857	\$ 0	\$ 34,857
<b>TOTAL ASSETS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 24,663</b>	<b>\$ 68,926</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 0	\$ 0	\$ 22,045	\$ 18,418
Deferred revenue	\$ 0	\$ 0	\$ 43,092	\$ 50,752
<b>Total liabilities</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 65,137</b>	<b>\$ 69,170</b>
<b>Fund Equity - Fund Balances:</b>				
Undesignated	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Liabilities and Fund Equity</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 65,137</b>	<b>\$ 69,170</b>

HOUSING AUTHORITY OF THE TOWN OF KATYNSVILLE  
 Katynsville, Louisiana

CAPITAL PROJECTS FUNDS  
 Containing Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended September 30, 1999

Schedule 2

	PROJECT LA 99-001E	PROJECT LA 99-002E	PROJECT LA 99-003E	TOTAL
<b>REVENUES</b>				
Federal sources:				
Grants	\$ 23,952	\$ 67,358	\$ 36,858	\$ 127,168
Total revenues	\$ 23,952	\$ 67,358	\$ 36,858	\$ 127,168
<b>EXPENDITURES</b>				
Current:				
Facilities acquisition and construction	\$ 23,952	\$ 67,358	\$ 36,858	\$ 127,168
Total expenditures	\$ 23,952	\$ 67,358	\$ 36,858	\$ 127,168
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0	0
FUND BALANCE AT END OF YEAR	0	0	0	0



**HOUSING AUTHORITY OF THE TOWN OF MAYNEVILLE  
Mayneville, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES - GAAP BASIS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1998**

**GENERAL**

**COMPENSATION PAID BOARD MEMBERS**

The members of the Board of Commissioners serve without compensation.

The members of the Board of Commissioners are as follows:

Sherman Brown, Chairman  
James Knoch, Vice-Chairman  
Dobby Eason  
Kerry Lincoln  
Frigo Rucker

**FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

In accordance with Office of Management and Budget (OMB) Circular A-128, a schedule of Federal financial assistance is presented.

**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
Haynesville, Louisiana

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
For the Year Ended September 30, 1990

Schedule 3

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	PROGRAM OR AWARD AMOUNT
<b>U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT</b>		
<b>DIRECT PROGRAMS</b>		
Public and Indian Housing *		
Fixed Annual Contributions (1)	14.850	\$ 136,511
Operating Subsidy	14.850	_____ 132,397
<b>TOTAL PROGRAM</b>		<b>\$ _____ 268,908</b>
Comprehensive Improvement Assistance Program		
1988 Programs - (A, B, B(2))	14.852	\$ 29,302
1989 Programs - (A, B, B(2))	14.852	_____ 87,358
1991 Programs - (A, B, B(2))	14.852	_____ 26,888
		<b>\$ _____ 143,548</b>
Public and Indian Housing -		
Drug Elimination Program - Youth Sports	14.854	\$ _____ 39,512
<b>TOTAL U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT</b>		<b>\$ _____ 452,558</b>

(1) The Housing Authority of the City of Haynesville is indebted to the U. S. Department of Housing and Urban Development for \$136,490 at September 30, 1990. Also, the Department of Housing and Urban Development has guaranteed through the Annual Contribution Contract the Housing Authority of the City of Haynesville's bonded indebtedness. This bonded indebtedness was \$106,980 at September 30, 1990.

\* Indicates Major Program

**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
**Haynesville, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES -**  
**HUD PRESCRIBED FORMAT**

**HOUSING AUTHORITY OF THE TOWN OF RAYNESVILLE**  
Raynesville, Louisiana

**ANNUAL STATE OF SURPLUS**  
**STATUTORY BASIS**  
For the Year Ended September 30, 1998

Schedule A

**PPA OWNED HOUSING (ACC 1431)**

	\$860	LOW INCOME	TOTAL
<b>UNRESERVED SURPLUS</b>			
Balance per Prior Year Audit	\$ (25,000)	\$ (3,390,381)	\$ (3,615,381)
Prior Audit Adjustments	<u>          0</u>	<u>      (1,870)</u>	<u>      (1,870)</u>
Balance per Books, Beginning	\$ (25,000)	\$ (3,392,251)	\$ (3,617,251)
<b>NET LOSS</b>	(20,420)	(24,440)	(44,860)
(Provision for) Reduction of Operating reserve	<u>      (20,420)</u>	<u>      (20,420)</u>	<u>      (40,840)</u>
Balance, Ending	\$ (45,420)	\$ (3,608,250)	\$ (3,729,670)
<b>OPERATING RESERVE</b>			
Balance, Beginning	\$ 81,870	\$ 55,081	\$ 136,951
Provision for (Reduction of) Operating Reserve	<u>      (20,420)</u>	<u>      (21,280)</u>	<u>      (41,700)</u>
Balance, Ending	\$ 61,450	\$ 33,801	\$ 95,251

(CONTINUED)

**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
Haynesville, Louisiana

**ANALYSIS OF SURPLUS**  
**STATUTORY BASIS**  
For the Year Ended September 30, 1999

Schedule A

PHA OWNED HOUSING (ACC 1425)	DEBTS	LOW RENT	TOTAL
<b>CUMULATIVE HUD CONTRIBUTION</b>			
Balance, Beginning	\$ 0	\$ 4,240,811	\$ 4,240,811
<b>PHA OWNED HOUSING</b>			
Annual contribution	0	105,811	105,811
Operating subsidy	<u>0</u>	<u>102,362</u>	<u>102,362</u>
Balance, Ending	\$ <u>0</u>	\$ <u>4,708,914</u>	\$ <u>4,708,914</u>
<b>CUMULATIVE HUD GRANTS</b>			
Balance, Beginning	\$ 305,880	\$ 2,811,880	\$ 3,836,860
<b>HUD MODERNIZATION GRANTS</b>			
LA 86-8812	0	8,368	8,368
LA 86-8812	0	28,760	28,760
LA 86-8812	0	19,873	19,873
PHA Drug Elimination (Youth Sports)	<u>0</u>	<u>0</u>	<u>0</u>
Balance, Ending	\$ <u>305,880</u>	\$ <u>2,968,821</u>	\$ <u>3,880,871</u>
<b>TOTAL SURPLUS</b>	\$ <u>305,880</u>	\$ <u>3,558,045</u>	\$ <u>3,863,925</u>

CONTINUED

HOUSING AUTHORITY OF THE TOWN OF HAYNEVILLE  
Hayneville, Louisiana

STATEMENT OF CERTIFICATION OF ACTUAL  
MODERNIZATION COST COMPLETED  
September 30, 1995

Schedule B

PHA OWNED HOUSING (HDC FR 1412)

1. The actual modernization costs for the completed modernization program is as follows:

	PROJECT LA-95-0912
Funds approved	\$ 1,089,014
Funds expended	<u>1,089,014</u>
Excess of funds approved	<u>\$ 0</u>
Funds advanced	\$ 1,089,014
Funds expended	<u>1,089,014</u>
Excess of funds advanced	<u>\$ 0</u>

2. The certification of costs as shown on the actual modernization cost certificate dated October 30, 1995 for the above project is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
**Haynesville, Louisiana**

**OTHER REPORTS REQUIRED BY**  
**GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the general purpose financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the general purpose financial statements and presents, where applicable, compliance matters that would be material to the general purpose financial statements.



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### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

U. S. Department of Housing and Urban Development  
Housing Management Division  
501 Magazine Street, 8th Floor  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Town of Haynesville, Louisiana, as of and for the year ended September 30, 1996, and have issued our report thereon dated April 8, 1997.

We conducted our audit in accordance with generally accepted auditing standards, 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 general purpose financial statements are free of material misstatements.

The management of the Housing Authority of the Town of Haynesville, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, evaluation and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and will be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Housing Authority of the Town of Haynesville, Louisiana, for the year ended September 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants as described in the accompanying Schedule of Reportable Conditions. Reportable conditions involve matters coming to our



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

attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure element does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described in the Schedule of Reportable Conditions are material weaknesses.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.



ALLEN GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
April 4, 1997



# ALLEN, GREEN & ROBINETTE, L.L.P.

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

U. S. Department of Housing and Urban Development  
Housing Management Division  
501 Magazine Street, 9th Floor  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Town of Haynesville, Louisiana, as of and for the year ended September 30, 1996, and have issued our report thereon dated April 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to the Housing Authority is the responsibility of the Housing Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the Housing Authority's compliance with provisions of laws, regulations, contracts, and grants. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards. However, the results of our tests disclosed immaterial instances of noncompliance which are reported in findings #1, #3, #5, #6 and #7 of the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners, management and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
April 4, 1997

**HOUSING AUTHORITY OF THE TOWN OF MAYNESVILLE**  
Mayesville, Louisiana

**OTHER REPORTS REQUIRED BY  
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-128**

The following pages contain information on internal control and compliance with laws and regulations required by OMB Circular A-128. The report on internal accounting and administrative controls relates to matters that could be significant and/or related to federal financial assistance programs. The report on compliance with laws and regulations is, likewise, related to issues of compliance with laws and regulations relating to federal financial assistance programs.



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### INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

U. S. Department of Housing and Urban Development  
Housing Management Division  
501 Magazine Street, 5th Floor  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Town of Haynesville, Louisiana, as of and for the year ended September 30, 1996, and have issued our report thereon dated April 4, 1997. We have also audited the Housing Authority's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated April 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States. These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Housing Authority complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended September 30, 1996, we considered the Housing Authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Housing Authority's financial statements and on its compliance with requirements applicable to major programs and its report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated April 4, 1997.

The management of the Housing Authority of the Town of Haynesville, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting practices, and that federal financial assistance:

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

programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in an internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that conditions may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

1. Cash
2. Expenditures for goods and services and accounts payable
3. Payroll and related liabilities
4. Property, equipment, and capital expenditures
5. Single Audit and similar grant program

Administrative Controls

- |                                    |                                    |
|------------------------------------|------------------------------------|
| 1. Political activity              | 7. Drug-Free Workplace Act         |
| 2. Davis-Bacon Act compliance      | 8. Administrative requirements     |
| 3. Civil rights                    | 9. Eligibility                     |
| 4. Cash management                 | 10. Types of services              |
| 5. Federal financial reports       | 11. Special reporting requirements |
| 6. Allowable cost/level principles | 12. Special terms and provisions   |

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1996, the Housing Authority of the Town of Haynesville, Louisiana, expended 67 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Housing Authority's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters reported in the audit report for fiscal year ended September 30, 1996 involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants as described in the Schedule of Reportable Conditions.

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

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Housing Authority's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations, that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable conditions described in the Schedule of Reportable Conditions are not material weaknesses.

This report is intended for the information of the Board of Commissioners, management and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.



ALLEN, GREEN & ROBBETTE, L.L.P.

Metairie, Louisiana  
April 4, 1997



## ALLEN, GREEN & ROBINETTE, L.L.P.

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### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

U. S. Department of Housing and Urban Development  
Housing Management Division  
541 Magazine Street, 5th Floor  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Town of Haynesville, Louisiana, as of and for the year ended September 30, 1996, and have issued our report thereon dated April 4, 1997.

We have applied procedures to test the Housing Authority's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance for the year ended September 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable cost/allowable principles, Drug-Free Workplace Act and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in findings #1 and #5 of the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners, management and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

*Allen, Green & Robinette*

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
April 4, 1997



## ALLEN, GREEN & ROHINETTE, L.L.P.

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### INDEPENDENT AUDITORY REPORT IN COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

U. S. Department of Housing and Urban Development  
Housing Management Division  
201 Magazine Street, 9th Floor  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Town of Haynesville, Louisiana, as of and for the year ended September 30, 1996, and have issued our report thereon dated April 4, 1997.

We have also audited the Housing Authority's compliance with the requirements governing types of services allowed or unallowed, eligibility, reporting, special tests and provisions and claims for advances and reimbursements, that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended September 30, 1996. The management of the Housing Authority is responsible for the Housing Authority's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-133, "Audits of State and Local Governments." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether major noncompliance with the requirements related to above occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in findings #1 and #9 of the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Housing Authority of the Town of Haynesville, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed, eligibility, reporting, special tests and provisions, and claims for advances and reimbursements, that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1996.



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

This report is intended for the information of the Board of Commissioners, management and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

*Allen Green & Robmette*

ALLEN, GREEN & ROBMETTE, L.L.P.

Monroe, Louisiana  
April 4, 2007



# ALLEN, GREEN & ROBINETTE, L.L.P.

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

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

U. S. Department of Housing and Urban Development  
Housing Management Division  
504 Magazine Street, 9th Floor  
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the Town of Haynesville, Louisiana as of and for the year ended September 30, 1998, and have issued our report thereon dated April 4, 1997.

In connection with our audit of the general purpose financial statements of the Housing Authority of the Town of Haynesville, Louisiana, and with our consideration of the Housing Authority's control structure used to administer Federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor Federal financial assistance programs for the year ended September 30, 1998.

As required by OMB Circular A-128, we performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, special reporting requirements, and claims for advances and reimbursements that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the Town of Haynesville, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the Town of Haynesville, Louisiana, had not complied, in all material respects, with these requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with these requirements, which is described in finding #9 of the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana  
April 4, 1997

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

STATUS OF PRIOR AUDIT REPORTABLE CONDITIONS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

I. Request for Reimbursement

See current-year reportable condition #1.

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

1. **Miscalculation of Tenant's Income**

This item is considered resolved.

2. **Test of Tenant Files**

See current-year Findings and Questioned Costs #3.

3. **Request for Reimbursement**

See current-year Findings and Questioned Costs #1.

4. **Submission of FPMR Form HUD-5802**

This item is considered resolved.

5. **Need to Monitor Budget and Amend as Necessary**

See current-year Findings and Questioned Costs #6.

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1995

1. **Request for Reimbursement**

(Public and Indian Housing - Comprehensive Improvement Assistance Program - CFDA #14.852)

**CONDITION:** During a list of five CIAP requests, an invoice could be provided to support \$7,000 of one request totaling \$26,400.

**REASON/IMPROVEMENT NEEDED:** CIAP funds are paid on a reimbursement basis, which requires that the funds either be expended or encumbered to be requested. Documentation should be maintained on each request to support this requirement.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** No support was provided for \$7,000 of one CIAP request.

**RECOMMENDATION:** Care should be taken to fully document that all funds requested have either been expended or encumbered. Documentation supporting this should be maintained.

**MANAGEMENT'S RESPONSE:** A contractual agreement in the amount of \$17,000 was signed between the Housing Authority and the A&E. The total amount was requested from LOCCS. The A&E invoiced the Housing Authority for \$18,000. The remaining \$7,000 has not been received from the A&E. In the future, the Housing Authority will only request what is received at that particular time.

2. **Cash Disbursements**

(All programs)

**CONDITION:** Out of twenty-five disbursements issued the following were noted:

1. Two checks were signed by personnel other than the Executive Director and a Board member;
2. Three invoices were not cancelled after payment;
3. Four instances where the charge was not supported by proper documentation.

**REASON/IMPROVEMENT NEEDED:** Strong internal control over disbursements requires that checks be signed only by authorized personnel, proper documentation be provided for expenditures, each invoice be cancelled after payment to prevent possible duplicate payments, and each charge be reviewed for reasonableness and allowability.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** It is possible that either unauthorized or unnecessary expenditures have been made by the Housing Authority.

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

2. Cash Disbursements (Continued)

**RECOMMENDATION:** All checks should be signed by the Executive Director and a Board member with proper documentation is presented and reviewed for reasonableness. Proper documentation would include original invoices, receipts, airline tickets with boarding pass, etc. Each invoice or other documentation should be stamped "paid" after payment.

**MANAGEMENT'S RESPONSE:**

1. The signed checks were from a Eddie Kaye Account that was open five years ago. This account was set up separate from the Housing Authority's general fund. The Board of Commissioners was aware of the Eddie Kaye services and the Golf Club. The Housing Authority was not aware the Executive Director (Chairman of the Board) had to sign checks for these services.

The Housing Authority will close the account and any remaining funds will be transferred to the general fund. The Eddie Kaye is no longer in operation.

2. The Housing Authority is using a paid stamp to cancel all invoices. The items that were not stamped was an oversight.
3. The Housing Authority will discuss all invoices with original invoices, receipts, airline tickets, and etc.

3. Fixed Assets  
(All Programs)

**CONDITION:** The Housing Authority maintains a listing of fixed assets. However, assets are not assigned a unique identification number.

**REASON IMPROVEMENT NEEDED:** Accounting for each asset with a unique identification number aids in the safeguarding of fixed assets.

**CAUSE OF CONDITION:** The Housing Authority was not aware of this need.

**EFFECT OF CONDITION:** Internal controls over fixed assets could be improved by implementing this procedure.

**RECOMMENDATION:** The Housing Authority should assign each fixed asset a unique identification number. The number should be included as a part of the Housing Authority's fixed asset listing and should be used to tag the asset for identification.

**MANAGEMENT'S RESPONSE:** The Housing Authority will assign unique identification numbers to all fixed assets.

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

4. **American Express Charges**  
(Public and Indian Housing - CPDA #14,890)

**CONDITION:** The Executive Director and two additional employees have American Express Credit Cards in the name of the Housing Authority. For eight months which were examined, charges made to the three card-totalled \$6,124.37. Six of the eight American Express statements were provided, however, supporting original receipts were not provided for \$7,056.53 of the charges.

**REASON IMPROVEMENT NEEDED:** Employees should not incur charges in the name of the Housing Authority without proper approval from management and the Board of Commissioners. By giving employees their own credit cards in the name of the Housing Authority, prior approval is not required in order for employees to incur charges. In addition, all charges should be adequately documented before payment is made.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** The chance that unnecessary or unsustainable charges could be made in the name of the Housing Authority is greatly increased.

**RECOMMENDATION:** No disbursements should be made unless adequate documentation is provided. Adequate documentation would include original invoices, receipts, airline tickets and boarding passes, etc. All documentation should be retained to support disbursements made by the Housing Authority.

**MANAGEMENT'S RESPONSE:** Employees will not charge anything to the Housing Authority for services accessible on open or credit card accounts. Adequate documentation will be kept on all charges.

**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
**Haynesville, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996**

**1. Request for Reimbursement**

*(Public and Indian Housing - Comprehensive Improvement Assistance Program - CFDA #14.852)*

**CONDITION:** During a test of five CIAP requests, no invoice could be provided to support \$7,000 of one request totaling \$26,400.

**REASON IMPROVEMENT NEEDED:** CIAP funds are paid on a reimbursement basis, which requires that the funds either be expended or encumbered to be requested. Documentation should be maintained on each request to support this requirement.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITIONS:** No support was provided for \$7,000 of one CIAP request.

**RECOMMENDATION:** Care should be taken to fully document that all funds requested have either been expended or encumbered. Documentation supporting this should be maintained.

**MANAGEMENT'S RESPONSE:** The Housing Authority signed a contractual agreement with ARE for \$17,000. The total amount of \$17,000 was requested due to the signing of the contract. The ARE invoiced the Housing for \$10,000. The remaining \$7,000 has not been invoiced. A copy of the agreement is on file at the Housing Authority. In the future, the Housing Authority will only request funds that are invoiced.

**2. Performance Funding System Approval**

*(Public and Indian Housing - CFDA #14.850)*

**CONDITION:** The Board of Commissioners of the Housing Authority did not approve HUD form 52725 - *Calculation of Performance Funding System* prior to submission of the form to HUD.

**REASON IMPROVEMENT NEEDED:** To comply with HUD requirements for submitting Form 52725.

**CAUSE OF CONDITION:** The Housing Authority was unaware that the form needed to be adopted by the Board before submission.

**EFFECT OF CONDITIONS:** The Housing Authority did not comply with the HUD requirement.

**RECOMMENDATION:** The Board of Commissioners should review HUD Form 52725 and adopt a resolution approving the form prior to submission.

**MANAGEMENT'S RESPONSE:** The Housing Authority was not aware a Board resolution was needed to submit HUD Form 52725. In the future, all submissions for HUD forms will be submitted with a Board-approved resolution.



**HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE**  
**Haynesville, Louisiana**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1986**

**3. Prohibited Contractual Arrangements**

*(Public and Indian Housing - Drug Elimination Program (Youth Sports) - CFDA #04-854)*

**CONDITION:** The son of the Executive Director was paid \$1,000 from the Youth Sports Program as contract labor for field maintenance duties.

**REASON IMPROVEMENT NEEDED:** Louisiana Revised Statute 42:1119 - Negation prohibits a member of the immediate family of a member of a governing authority or the chief executive of a governmental entity from being employed by the governmental entity.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** The Housing Authority may be in violation of the state nepotism statute.

**RECOMMENDATION:** The Housing Authority should consult with the Housing Authority's legal counsel or the Code of Ethics Commission for Public Officials in Louisiana for guidance in complying with the state nepotism statute.

**MANAGEMENT'S RESPONSE:** The Housing Authority will not hire any family members of the chief executive in the future for any reasons.

**4. Test of Tenant Files**

*(Public and Indian Housing - CFDA #14.850)*

**CONDITION:** Of ten tenant files tested the following were noted:

1. Three tenants were not reverified since 1980.
2. Three applications were missing social security numbers for applicants and/or dependents over six years old.
3. Four instances of HUD Form 50000 not maintained in the file.
4. Nine instances where tenants had no sources to verify the date of birth or social security number.
5. Four instances where lease was not complete.
6. One instance where no lease was in the file.
7. Two instances where income was not verified.
8. One tenant did not sign HUD Form 9886 and one HUD Form 9886 was missing from the file.
9. Three tenants had prior lease violations.
10. One instance where the rent roll did not agree with the rent per the lease agreement.

**REASON IMPROVEMENT NEEDED:** Files should be maintained in accordance with HUD regulations.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** Noncompliance with HUD regulations.

HOUSING AUTHORITY OF THE TOWN OF BAYNESVILLE  
Baynesville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

4. Tenant Files (Continued)

**RECOMMENDATION:** Employees responsible for completing and updating tenant files should be knowledgeable in HUD requirements for maintaining tenant files. A supervisor independent of the file preparation should review each file for completeness to ensure all HUD requirements are met.

**MANAGEMENT'S RESPONSE:** The Housing Authority will use a checklist provided by HUD to ensure tenant files are meeting HUD requirements.

5. American Express Charges

(Public and Indian Housing - CPDA #14890)

**CONDITION:** The Executive Director and two additional employees have American Express Credit Cards in the name of the Housing Authority. For eight months which were examined, charges made to the three cards totaled \$6,034.57. Of this amount, \$196.54 was repaid to the Housing Authority from one of the employee's bank account and another \$2,874.13 representing personal charges of the employees that were set up as accounts receivable to be paid back from payroll deductions. Numerous requests for adequate documentation for each of the charges were made by the auditors. Six of the eight American Express statements were provided, however, supporting original receipts were not provided for \$2,656.53 of the charges.

**REASON/IMPROVEMENT NEEDED:** Article 7, Section 14 of the Constitution of the State of Louisiana of 1974 states "the funds, credits, property, or things of value of the state or any political subdivision shall not be loaned, pledged, or allocated to or for any person, association, or corporation, public or private." Paying personal charges for employees and setting up accounts receivable for those charges violates this provision. Also, OMB Circular A-87 lists several requirements that costs must meet in order for the costs to be allowable. Two of these requirements are that the costs must be "authorized or not prohibited under state or local law or regulations" and "supported by adequate documentation."

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** The Housing Authority is in violation of Article 7, Section 14 of the Constitution of the State of Louisiana of 1974, and some of the costs may be considered unallowable costs under OMB Circular A-87.

**RECOMMENDATION:** The current accounts receivable should be paid to the Housing Authority by the employees. In the future, no personal charges of an employee should be made on any credit card or any account in the Housing Authority's name, nor should any personal charges be paid by the Housing Authority. Also, no disbursements should be made unless adequate documentation is provided. Adequate documentation would include original invoices, receipts, online printouts and boarding passes, etc. All documentation should be retained to support disbursements made by the Housing Authority.

HOUSING AUTHORITY OF THE TOWN OF HAYNESVILLE  
Haynesville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1996

5. American Express Charges (Continued)

**MANAGEMENT'S RESPONSE:** The Housing Authority was not aware an employee could not deduct amounts owing for open or credit accounts from payroll. Employees are paying off the debt and will not charge anything to the Housing Authority for accounts receivable on open or credit card accounts. Adequate documentation will be kept on all charges.

6. Need to Monitor Budget and Amend as Necessary

**CONDITIONS:** Actual expenditures of \$264,080 exceeded budgeted expenditures of \$241,960 resulting in an unfavorable variance of \$22,120. This is a 9.14% unfavorable variance which exceeds the legal 5% variance.

**REASON/IMPROVEMENT NEEDED:** LSA-R.S. 39:1310 requires chief executive or administrative officer to advise the governing authority in writing when expenditures plus projected expenditures for the remainder of the year, within a fund are exceeding estimated annual budget expenditures by 5% or more.

**CAUSE OF CONDITIONS:** Housing Authority officials did not review budget to actual during the year.

**EFFECT OF CONDITIONS:** Violation of LSA-R.S. 39:1310.

**RECOMMENDATION:** Housing Authority personnel should monitor the budget more closely and advise the School Board of anticipated shortfalls as prescribed by statute.

**REPLY:** The Housing Authority will review budget to actual comparisons during the year and will revise if necessary.

7. Late Filing of Audit Report

**CONDITIONS:** The Louisiana Legislative Auditor requires audit reports to be filed within six months of the year-end of the governments. The audit report as of and for the year ended September 30, 1996 was filed after the deadline.

**REASON/IMPROVEMENT NEEDED:** To comply with state regulations.

**CAUSE OF CONDITIONS:** An unexpected work load and staff shortage of the auditor in the fourth quarter of 1996.

**EFFECT OF CONDITIONS:** Violation of state regulation.

**RECOMMENDATION:** Future audit reports should be filed within six months of year-end.

**MANAGEMENT'S RESPONSE:** We will monitor the auditors' progress to ensure audit reports are filed timely.