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**CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED MARCH 31, 1998  
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 council, or reviewed, by city and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/14/98

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1998

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Caldwell Parish Housing Authority  
Columbia, Louisiana

I have audited the accompanying general-purpose financial statements of the Caldwell Parish Housing Authority for the year ended March 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Housing Authority's executive director. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

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

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Caldwell Parish Housing Authority, as of March 31, 1998, and the results of its operations and the cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated September 4, 1998 on my consideration of Caldwell Parish Housing Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Caldwell Parish Housing Authority, 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, Audit of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing 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.

WILLIAM R. HULSEY, CPA  
Certified Public Accountant

  
September 4, 1998

CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 COMBINED BALANCE SHEET -  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 MARCH 31, 1998

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 11,441	\$ 36,806
Receivables	9,883	8,941
Interfund receivable	37,685	-
Land, buildings, and equipment	-	-
Amounts available in debt service funds	-	-
Amounts to be provided for retirement of general long term obligations	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 59,009</u></b>	<b><u>\$ 46,752</u></b>
 <b>Liabilities and Fund Equity:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 5,375	\$ 45,354
Interfund payable	-	37,685
Deposit due others	7,775	-
Prepaid annual contributions	-	-
Permanent notes - HOU	-	-
<b>Total Liabilities</b>	<b><u>13,150</u></b>	<b><u>83,039</u></b>
 <b>Fund Equity:</b>		
Investment in general fixed assets	-	-
Fund balances:		
Reserved for debt payment	3,775	-
Unreserved and undesignated	<u>34,884</u>	<u>(4) 37,272 )</u>
<b>Total fund equity</b>	<b><u>40,829</u></b>	<b><u>(4) 37,272 )</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 59,009</u></b>	<b><u>\$ 45,767</u></b>

<u>Account Groups</u>	
General Fixed Assets	Total (Memorandum Only)
\$ -	\$ 48,287
-	18,824
-	33,683
5,420,289	5,420,289
-	-
<u>-</u>	<u>-</u>
<u>\$ 5,420,289</u>	<u>\$ 5,523,083</u>
\$ -	\$ 50,739
-	37,683
-	7,773
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>96,189</u>
-	-
-	9,773
<u>5,420,289</u>	<u>5,421,101</u>
<u>5,420,289</u>	<u>5,428,876</u>
<u>\$ 5,420,289</u>	<u>\$ 5,525,069</u>

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

**CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - ALL FUND TYPES  
FOR THE YEAR ENDED MARCH 31, 1998**

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
<b>Revenues:</b>			
<b>Local sources:</b>			
Dwelling rental	\$ 99,887	\$ -	\$ 99,887
Interest earnings	-	1,860	1,860
Other	6,428	-	6,428
<b>Federal sources:</b>			
Operating subsidy	130,150	-	130,150
Annual contributions	-	237,536	237,536
Grants	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 236,465</b>	<b>\$ 239,396</b>	<b>\$ 465,861</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Administration	\$ 38,247	\$ 24,458	\$ 62,705
Utilities	34,858	-	34,858
Ordinary maintenance & operations	63,438	-	63,438
Protective services	-	-	-
General expenditures	82,704	379	83,104
Housing assistance payments	-	162,343	162,343
Facilities acquisition and construction	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 219,247</b>	<b>\$ 197,179</b>	<b>\$ 416,426</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ ( 4,818 )</b>	<b>\$ 38,015</b>	<b>\$ 33,197</b>
<b>Fund balances at beginning of year</b>	<b>5,400,866</b>	<b>( 75,287 )</b>	<b>5,325,579</b>
<b>Fund balances at end of year</b>	<b>\$ 5,396,048</b>	<b>\$ ( 37,272 )</b>	<b>\$ 5,358,776</b>

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

**CALDWELL PARISH HOUSING AUTHORITY**  
**COLUMBIA, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 1998**

**INTRODUCTION**

Housing Authorities are chartered as a public corporation under the laws (LSA RS 40:341) of the State of Louisiana for the purpose of providing safe and sanitary housing and related facilities for eligible low-income families and the elderly. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members serve a staggered term of four years.

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-rent 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 annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority participates in Section 8 housing assistance payment programs. The rental certificate and moderate rehabilitation programs provide assistance to low-income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under these two programs, the Housing Authority enters into housing assistance payment contracts with landlords. Section 8 Rental Voucher Program, another Section 8 housing assistance program, provides assistance to low-income families. The program provides for a voucher which can be used by the tenant to pay rent to any landlord he chooses.

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

**Basis of Presentation**

The accompanying financial statements of the Caldwell Parish Housing Authority 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.



CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
MARCH 31, 1998

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

**Financial 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 fiscally 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, (4) authority to issue debt, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, account groups, activities, or items, that are within the oversight responsibility of the Housing Authority.

The Housing Authority is a related organization of the Parish of Caldwell since the Parish of Caldwell appoints a voting majority of the Housing Authority's governing board. The Parish of Caldwell is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Parish of Caldwell. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Parish of Caldwell.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the Housing Authority to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Housing Authority.
2. Organizations for which the Housing Authority does not appoint a voting majority but are fiscally dependent on the Housing Authority.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
MARCH 31, 1998

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

**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 three categories: governmental, proprietary 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:

**General Fund**

The general operating fund of the Housing Authority accounts for all financial resources, except those required to be accounted for in other funds. The general fund includes transactions of the low rent housing assistance programs.

**Special Revenue Funds**

The special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special revenue funds contain transactions of the various Section 8 Housing Assistance programs administered by the Housing Authority.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
MARCH 31, 1998

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

**Date 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 restricted 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 by 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 incurred.

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

Cocumulated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

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

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
MARCH 31, 1998

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

**Basis of Accounting (Continued)**

**Expenditures (Continued)**

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

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**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.

**Budgets and Budgetary Accounting**

Annual budgets are prepared for the funds. Periodic comparison reports are prepared and actual expenditures are compared to budgeted amounts. These reports are prepared to assist management in controlling the day-to-day operation of the Housing Authority.

**Encumbrances**

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

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
MARCH 31, 1998

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

**Cash and Cash Equivalents**

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

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.

**Short-term Interfund Receivables/Payables**

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

**Bad Debt**

In accordance with HUD guidelines, allowance for doubtful accounts has not been established, which is at variance with generally accepted accounting principles.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. There were no prepaid costs for the year.

**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 domains 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.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
MARCH 31, 1998

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

**Compensated Absences**

No provisions for compensated absences were provided for in these financial statements. Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid.

**Long-term Obligations**

Long-term obligations expected 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.

**Fund Equity**

**Reserves**

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

**Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses.

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecuring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**Income Taxes**

No provision is made for income taxes since the Caldwell Parish Housing Authority is a governmental entity in the State of Louisiana.

CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 MARCH 31, 1998

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

**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 financial position 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.

**NOTE 2 - FUND DEFICITS**

The special revenue fund had a deficit in unreserved fund balance at March 31, 1998 in the amount of \$37,272. The deficit will be covered by federal grants.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At March 31, 1998, the Housing Authority had cash and cash equivalents totaling \$48,267 as follows:

Cash on hand	\$	50
Carrying amount of deposits		<u>48,217</u>
		<u>\$ 48,267</u>
Cash and cash equivalents	\$	40,490
Cash and cash equivalents - restricted		<u>7,777</u>
		<u>\$ 48,267</u>

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

CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 MARCH 31, 1998

**NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)**

At year end, the carrying amount of the Housing Authority deposits was \$52,319. The bank balance is categorized as follows:

Amount loaned by FDIC and FSLIC	\$	52,319
Amount collateralized with securities held by the pledging financial institution's agent in the Housing		-
Uncollateralized		-
<b>Total bank balance</b>	<b>\$</b>	<b>52,319</b>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of OASB Statement 3, Louisiana Revised Statute 39:5219 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

At all times during the year deposits were insured by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (OASB Category 3).

**NOTE 4 - RECEIVABLES**

The receivables of \$18,824 at March 31, 1998 are as follows:

Class of Receivables	General Fund	Special Revenue Funds	Total
Local sources:			
Taxes	\$ 9,883	\$ -	\$ 9,883
Federal sources:			
Due from HUD	-	8,941	8,941
<b>Total</b>	<b>\$ 9,883</b>	<b>\$ 8,941</b>	<b>\$ 18,824</b>



CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 MARCH 31, 1998

**NOTE 5 - FIXED ASSETS**

The changes in general fixed assets are as follows:

	Balance March 31, 1997	Additions	Deletions	Balance March 31, 1998
Land, structures and equipment	\$4,290,304	\$ 137	\$ -	\$4,290,441
Modernization costs	1,128,285	-	-	1,128,285
Equipment	1,363	-	-	1,363
<b>Total</b>	<b>\$5,419,952</b>	<b>\$ 137</b>	<b>\$ -</b>	<b>\$5,420,089</b>

**NOTE 6 - ACCOUNTS PAYABLE**

The payables of \$38,729 at March 31, 1998, are as follows:

General fund:	
Payroll taxes and other liabilities	\$ 5,375
Special revenue fund:	
Due to HUD	43,354
<b>Total</b>	<b>\$ 38,729</b>

**NOTE 7 - SECURITY DEPOSIT ACCOUNT**

At March 31, 1998, the security deposit account had a balance of \$8,292 and trust security deposits totaled \$7,779.

**NOTE 8 - DEFERRED COMPENSATION PLAN**

The Caldwell Parish Housing Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Caldwell Parish Housing Authority employees, permits them to defer a portion of their salary until future years.

**CALDWELL PARISH HOUSING AUTHORITY**  
**COLUMBIA, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**MARCH 31, 1998**

**NOTE 8 - DEFERRED COMPENSATION PLAN (Continued)**

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the government subject only to the claims of the government's general creditors. Participants' rights under the plan are equal to those of the general creditors of the government in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of management that the Caldwell Parish Housing Authority has no liability for losses under the plan. It is the intent of management that the deferred accounts will ultimately be paid to the employees. Management also believes that the assets will not be used to satisfy the claims of general creditors.

**NOTE 9 - INTERFUND ASSETS/LIABILITIES**

Interfund receivables/payables as March 31, 1998 are as follows:

General fund:	
Due from special revenue fund	\$ 37,683
Special revenue fund:	
Due to general fund	( 37,683 )
Total	<u>\$ _____</u>

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

According to the Housing Authority's legal counsel, there was no pending or threatened litigation as March 31, 1998.

**NOTE 11 - RISK MANAGEMENT**

The Housing Authority is exposed to various risks of loss related to theft, fire, damage to and destruction of assets, errors and omissions, and natural disasters for which the Housing Authority carries commercial insurance.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
MARCH 31, 1998

**NOTE 12 - PENSION PLAN**

The Housing/Renewal and Local Agency Retirement Plan was formed effective January 1, 1970 under an agreement between the Metropolitan Development and Housing Agency, Nashville, Tennessee (formerly the Nashville Housing Authority) as sponsoring employer and certain trustees for the purpose of establishing a retirement system providing benefits for employees of the sponsoring employer and such other employers as may elect to participate in the Plan. In addition to retirement benefits, the Plan provides certain benefits for those members who die or become disabled prior to retirement.

From the effective date the Plan Administrator has been William M. Minor, Inc.

All contributions into and disbursements from the trust fund flow through the trust department of the custodial bank, P.M.C. Bank of Kentucky. All financial transactions of the trust are reconciled daily. Distribution instructions may only be made by the Plan Administrator. The individual trustees neither solicit contributions nor implement disbursements. Asset and individual participant account balances are updated and reconciled monthly by the Plan Administrator.

**Plan Description**

The Plan is a defined contribution retirement plan covering essentially all employees of the various participating employers. Since the participating employers are all governmental units, the Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, except for the contribution limitations of Section 415.

The Plan and Trust are qualified under Section 401(a) of the Internal Revenue Code and their income is exempt from taxation under Section 501(c) of the Code.

The Plan is funded by employer contributions and in some cases, employee contributions. The rates of contributions are determined by the various jointer agreements of the participating employers.

Terminated or retiring participants are entitled to certain benefits including the full amount of their contributions to the Plan as well as earnings on their contributions. In addition to the amount of their contribution, each participant is entitled to the portion of the employer's contributions in which he or she has a vested interest. Vesting provisions are determined in accordance with the participating employers' jointer agreement. If a participating employee shall be determined to be totally and

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
MARCH 31, 1998

NOTE 12 - PENSION PLAN (Continued)

permanently disabled, or if an active participating employee should die prior to retirement, or a participant upon attaining normal retirement age as specified in the employer's jointer agreement, then the employee or their designated beneficiary shall be entitled to the full value of the participant's account. Benefits are payable in the form of lump sum cash settlements or purchased annuities, depending upon the election of the participant. Effective January 1, 1989 the non-vested portion of a terminated participant's account which arose prior to January 1, 1989, will be used first to pay for administrative expense of the plan and the balance to reduce the employer contributions in succeeding plan years. The non-vested portion of a terminated participant's account which arose after January 1, 1989, shall be applied in the same manner as pre-January 1, 1989 amounts. However, for any forfeitures remaining as of the December 31 monthly valuation date after payment of the applicable employer's expenses, the employer may elect in its Jointer Agreement to have those forfeitures reallocated among its eligible participating employees. The total amount of assets for the plan year ended December 31, 1997, was \$156,376.

If the Plan is terminated or contributions under the Plan are discontinued, the participating employees are entitled to benefits accrued to the date of such termination or discontinuance to the extent funded and/or to the amounts credited to the employees' accounts.

Funding Policy

The Housing Authority's total payroll for the year ended March 31, 1998 was \$93,123 of which \$90,123 was the covered payroll for employees in the Housing - Renewal and Local Agency Retirement Plan. The Housing Authority contributes 14.9%. The Housing Authority has 3 employees covered under this retirement system. The contribution requirement was \$13,500 all of which was the employees' portion.

**SUPPLEMENTAL INFORMATION**

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
FOR THE YEAR ENDED MARCH 31, 1998

**GENERAL**

**Compensation Paid Board Members**

The members of the Board of Commissioners serve without compensation.

**Federal Financial Assistance Programs**

In accordance with Office of Management and Budget (OMB) Circular A-133, a schedule of federal financial assistance is presented.

CALDWELL PARISH HOUSING AUTHORITY  
 COLUMBIA, LOUISIANA  
 SCHEDULE OF FEDERAL AWARDS  
 FOR THE YEAR ENDED MARCH 31, 1998

Federal Grantor/ Pass Through Grantor/Program Name	Federal CFDA Number	Grant ID Number	Program/ Award Amount
U. S. Department of Housing and Urban Development			
Direct programs:			
Section 8 Rental Certificate Program	14.177	FW-2024	\$ 187,533
Section 8 Rental Voucher	14.177	FW-2024	39,793
Low Income Housing	14.056	FW-2063	<u>130,158</u>
Total			<u>\$ 357,476</u>

**SUPPLEMENTAL INFORMATION SCHEDULES -  
HUD PRESCRIBED FORMAT**



**CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
STATEMENT OF CHANGES IN FUND BALANCE  
MARCH 31, 1998**

	Low Income —Housing—	Section 8 —Housing—
<b>Fund balance - unrestricted:</b>		
Balance April 1, 1997	\$( 2,945,155 )	\$( 3,490,489 )
Net loss, year ended:		
March 31, 1998	( 127,937 )	( 189,311 )
Provision for operating reserve	( 2,875 )	-
Provision for project account	-	( 132,414 )
<b>Balance March 31, 1998</b>	<b><u>\$( 3,072,957 )</u></b>	<b><u>\$( 3,672,194 )</u></b>
<b>Fund balance - reserved:</b>		
Balance April 1, 1997	\$ 75,642	\$ 1,015,387
Net income (loss), year ended:		
March 31, 1998	-	-
Provision for operating reserve	2,075	-
Provision for project account	-	( 132,414 )
<b>Balance March 31, 1998</b>	<b><u>\$ 77,717</u></b>	<b><u>\$ 882,973</u></b>
<b>Cumulative HUD Contributions:</b>		
Balance April 1, 1997	\$ 6,682,782	\$ 2,436,297
Overpayment HUD adjustment	-	( 38,562 )
Net income, year ended:		
March 31, 1998	130,156	227,326
<b>Balance March 31, 1998</b>	<b><u>\$ 6,812,938</u></b>	<b><u>\$ 2,625,061</u></b>
<b>Cumulative HUD Grant:</b>		
Balance April 1, 1997	\$ 1,691,267	\$ -
Net income, year ended:		
March 31, 1998	-	-
<b>Balance March 31, 1998</b>	<b><u>\$ 1,691,267</u></b>	<b><u>\$ -</u></b>
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 5,858,198</u></b>	<b><u>\$( 37,272 )</u></b>

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

**WILLIAM B. HULSEY**  
CERTIFIED PUBLIC ACCOUNTANT  
THE FORRESTAL SYSTEM  
MONROE, LOUISIANA

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

MEMBER'S ADDRESS  
P.O. BOX 160  
MONROE, LOUISIANA 70501  
(504) 233-4444  
FAX (504) 233-0923

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

To the Board of Directors  
Caldwell Parish Housing Authority  
Columbia, Louisiana

**Compliance**

I have audited the compliance of Caldwell Parish Housing Authority 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 March 31, 1998. Caldwell Parish Housing Authority'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 Caldwell Parish Housing Authority's management. My responsibility is to express an opinion on Caldwell Parish Housing Authority's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards, 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 non-compliance 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 Caldwell Parish Housing Authority's compliance with these 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 Caldwell Parish Housing Authority's compliance with these requirements.

In my opinion, Caldwell Parish Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 1998. However, the results of my auditing procedures disclosed instances of non-compliance with these requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs.

### **Internal Control Over Compliance**

The management of Caldwell Parish Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Caldwell Parish Housing Authority's internal control over compliance with requirements that could have a direct and material effect of 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 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 for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

**WILLIAM R. HULSEY**  
Certified Public Accountant

  
September 4, 1998

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED MARCH 31, 1998

**FINDING 52-1:**

**CONDITION:**

The Tenant Security Escrow account had less funds than was required to cover all deposits made by tenants.

**RECOMMENDATION:**

The Housing Authority should reconcile the bank account to the security deposit account at the end of each month to insure that the bank balance and security deposit liability remain equal.

**CURRENT STATUS:**

The Tenant Security Escrow account is being reconciled monthly to maintain at least the minimum amount needed to cover all tenant security deposits.

CALDWELL PARISH HOUSING AUTHORITY  
COLUMBIA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 1998

**FINDING 98-1:**

**Statement of Condition:**

During the fiscal year ending March 31, 1998, the Executive Director worked for the Authority on a contract basis. Due to his employment status, he was not eligible to participate in the defined benefit plan available to employees. Not aware of his ineligibility, the Authority allowed him to participate as of September 1, 1997.

**Criteria:**

To be eligible, the Executive Director must be an employee of the Authority.

**Effect of Condition:**

The Authority could pay into the benefit plan in excess of its liability.

**Recommendation:**

The Authority should hire the Executive Director as a part-time employee, thus making him eligible for the plan.

**CALDWELL PARISH HOUSING AUTHORITY**  
729 Alvin Street  
Columbia, Louisiana 71418  
518-649-5022

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED MARCH 31, 1998**

**RESPONSE TO FINDINGS**

**FINDING 98-1:**

The Authority has re-evaluated the executive director's employment status and has hired him as a part-time employee so that participation in the defined benefits plan is acceptable.

Contact Person: Rhonda Ratliff

Corrective Action Planned: See above Finding 98-1

Completion Date: September 4, 1998