

OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF LOUISIANA
Baton Rouge, Louisiana 70801
504-386-4000

CALDWELL PARISH HOUSING AUTHORITY
COLUMBIA, LOUISIANA

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 1999
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 audited, or reviewed, 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 10/27/99 .

CALDWELL PARISH HOUSING AUTHORITY
COLUMBIA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1999

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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, 1999, 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, 1999, 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 August 16, 1999 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.

CALDWELL PARISH HOUSING AUTHORITY
COLUMBIA, LOUISIANA
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 1999

	Governmental Fund Types	
	General Fund	Special Revenue Fund
Assets:		
Cash and cash equivalents	\$ 33,113	\$ 81,834
Receivables	9,781	11,698
Interfund receivable	59,119	-
Land, buildings, and equipment	-	-
Amount available in debt service funds	-	-
Amount to be provided for retirement of general long term obligations	-	-
 TOTAL ASSETS	 \$ 102,013	 \$ 93,532
 Liabilities and Fund Equity:		
Liabilities:		
Accounts payable	\$ 1,714	\$ 70,747
Interfund payable	-	59,119
Deposit due others	7,800	-
Prepaid annual contribution	-	-
Permanent notes - HUD	-	-
 Total liabilities	 9,514	 129,866
 Fund Equity:		
Investment in general fixed assets	-	-
Fund balances:		
Reserved for debt payment	7,800	-
Unreserved and undesignated	84,699	(36,334)
 Total fund equity	 92,499	 (36,334)
 TOTAL LIABILITIES AND FUND EQUITY	 \$ 102,013	 \$ 93,532

<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
General Fixed Assets		
\$ -		\$ 114,947
-		21,479
-		59,119
5,425,564		5,425,564
-		-
-		-
\$ 5,425,564		\$ 5,621,109
\$ -		\$ 72,461
-		59,119
-		7,800
-		-
-		-
-		139,380
-		-
-		7,800
<u>5,425,564</u>		<u>5,473,929</u>
<u>5,425,564</u>		<u>5,481,729</u>
\$ 5,425,564		\$ 5,621,109

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, 1999

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Revenues:			
Local sources:			
Dwelling rental	\$ 105,230	\$ -	\$ 105,230
Interest earnings	-	1,307	1,307
Other	16,480	-	16,480
Federal sources:			
Operating subsidy	138,150	-	138,150
Annual contributions	-	192,348	192,348
Grants	-	-	-
TOTAL REVENUES	<u>\$ 259,860</u>	<u>\$ 193,655</u>	<u>\$ 453,515</u>
Expenditures:			
Current:			
Administration	\$ 57,923	\$ 27,523	\$ 85,446
Utilities	36,223	-	36,223
Ordinary maintenance & operations	69,448	-	69,448
Protective services	-	-	-
General expenditures	83,270	-	83,270
Housing assistance payments	-	140,184	140,184
Facilities acquisition and construction	-	-	-
TOTAL EXPENDITURES	<u>\$ 246,864</u>	<u>\$ 167,707</u>	<u>\$ 414,571</u>
Excess (deficiency) of revenues over expenditures	\$ 12,996	\$ 25,948	\$ 38,944
Fund balances at beginning of year	<u>5,505,067</u>	<u>(62,282)</u>	<u>5,442,785</u>
Fund balances at end of year	<u>\$ 5,518,063</u>	<u>\$ (36,334)</u>	<u>\$ 5,481,729</u>

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, 1999

INTRODUCTION

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) 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, 1999

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, et cetera, 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, 1999

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 fixed 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, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

Compensated 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, 1999

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 ensure 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, 1999

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 Debts

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 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.

CALDWELL PARISH HOUSING AUTHORITY
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 1999

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 appropriable for expenditures or legally segregated for a specific future use.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, 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. Nonrecurring 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, 1999

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, 1999 in the amount of \$38,714. The deficit will be cleared by federal grants.

NOTE 3 - CASH AND CASH EQUIVALENTS

At March 31, 1999, the Housing Authority had cash and cash equivalents totaling \$114,947 as follows:

Cash on hand	\$ 50
Carrying amount of deposits	<u>114,897</u>
	\$ 114,947
Cash and cash equivalents	\$ 107,147
Cash and cash equivalents - restricted	<u>7,800</u>
	\$ 114,947

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The 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, 1999

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

At year end, the carrying amount of the Housing Authority deposits was \$120,135. The bank balance is categorized as follows:

Amount insured by FDIC and FSLIC	\$	100,000
Amount collateralized with securities held by the pledging financial institution's agent in the Housing		-
Uncollateralized		<u>20,135</u>
Total bank balance	\$	120,135

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 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.

NOTE 4 - RECEIVABLES

The receivables of \$21,479 at March 31, 1999 are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Local sources:			
Tenants	\$ 9,781	\$ -	\$ 9,781
Federal sources:			
Due from HUD	<u>-</u>	<u>11,698</u>	<u>11,698</u>
Total	\$ <u>9,781</u>	\$ <u>11,698</u>	\$ <u>21,479</u>

CALDWELL PARISH HOUSING AUTHORITY
 COLUMBIA, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 MARCH 31, 1999

NOTE 5 - FIXED ASSETS

The changes in general fixed assets are as follows:

	<u>Balance March 31, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 1999</u>
Land, structures and equipment	\$4,290,441	\$ 5,275	\$ -	\$4,295,716
Modernization costs	1,128,285	-	-	1,128,285
Equipment	<u>1,563</u>	<u>-</u>	<u>-</u>	<u>1,563</u>
 Total	 \$5,420,289	 \$ 5,275	 \$ -	 \$5,425,564

NOTE 6 - ACCOUNTS PAYABLE

The payables of \$72,460 at March 31, 1999, are as follows:

General fund:	
Payroll taxes and other liabilities	\$ 1,714
Special revenue fund:	
Due to HUD	<u>70,746</u>
 Total	 \$ 72,460

NOTE 7 - SECURITY DEPOSIT ACCOUNT

At March 31, 1999, the security deposit account had a balance of \$7,800 and tenant security deposits totaled \$7,800.

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, 1999

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 amounts 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 at March 31, 1999 are as follows:

General fund:	
Due from special revenue fund	\$ 59,119
Special revenue fund:	
Due to general fund	<u>(59,119)</u>
Total	\$ -

NOTE 10 - COMMITMENTS AND CONTINGENCIES

According to the Housing Authority's legal counsel, there was no pending or threatened litigation at March 31, 1999.

NOTE 11 - RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, 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, 1999

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. Mercer, Inc.

All contributions into and disbursements from the trust fund flow through the trust department of the custodial bank, P.N.C. Bank of Kentucky. All financial transactions of the trust are recorded daily. Distribution instructions may only be made by the Plan Administrator. The individual trustees neither receive 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(a) 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 joinder 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' joinder 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, 1999

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 joinder 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 participants' account which arose prior to January 1, 1989, will be used first to pay the 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 Joinder Agreement to have those forfeitures reallocated among its eligible participating employees. The total amount of assets for the plan year ended December 31, 1998, was \$195,650.

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, 1999 was \$101,640 of which \$101,640 was the covered payroll for employees in the Housing - Renewal and Local Agency Retirement Plan. The Housing Authority contributes 14.5%. The Housing Authority has 5 employees covered under this retirement system. The contribution requirement was \$14,738 all of which was the employers' portion.

NOTE 13 - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

Caldwell Parish Housing Authority has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting operations. All of these systems have been assessed, remeditated, and tested and validated.

CALDWELL PARISH HOUSING AUTHORITY
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 1999

NOTE 13 - YEAR 2000 ISSUE (Continued)

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Caldwell Parish Housing Authority's remediation efforts will be successful in whole or in part, or that parties with whom the Lincoln Parish Police Jury does business will be year 2000 ready.

SUPPLEMENTAL INFORMATION

CALDWELL PARISH HOUSING AUTHORITY
COLUMBIA, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED MARCH 31, 1999

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, 1999

<u>Federal Grantor/ Pass Through Grantor/Program Name</u>	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>Program/ Award Amount</u>
U. S. Department of Housing and Urban Development			
Direct programs:			
Section 8 Rental Certificate Program	14.177	FW-2124	\$ 159,841
Section 8 Rental Voucher	14.177	FW-2269	32,507
Low Income Housing	14.156	FW-2063	<u>138,150</u>
Total			\$ 330,498

CALDWELL PARISH HOUSING AUTHORITY
COLUMBIA, LOUISIANA
STATEMENT OF CHANGES IN FUND BALANCE
MARCH 31, 1999

	<u>Low Income Housing</u>	<u>Section 8 Housing</u>
Fund balance - unreserved:		
Balance April 1, 1998	\$ (3,075,168)	\$ (3,832,134)
Net loss, year ended:		
March 31, 1999	(125,154)	(166,400)
Provision for operating reserve	(7,721)	-
Provision for project account	<u> -</u>	<u>(182,045)</u>
Balance March 31, 1999	<u>\$ (3,208,043)</u>	<u>\$ (4,180,579)</u>
Fund balance - reserved:		
Balance April 1, 1998	\$ 77,117	\$ 1,167,801
Net income (loss), year ended:		
March 31, 1999	-	-
Provision for operating reserve	7,721	-
Provision for project account	<u> -</u>	<u>182,045</u>
Balance March 31, 1999	<u>\$ 84,838</u>	<u>\$ 1,349,846</u>
Cumulative HUD Contribution:		
Balance April 1, 1998	\$ 6,812,932	\$ 2,627,061
Overpayment HUD adjustment	-	(25,009)
Net income, year ended:		
March 31, 1999	<u>138,150</u>	<u>192,347</u>
Balance March 31, 1999	<u>\$ 6,951,082</u>	<u>\$ 2,794,399</u>
Cumulative HUD Grant:		
Balance April 1, 1998	\$ 1,651,267	\$ -
Net income, year ended:		
March 31, 1999	<u>38,919</u>	<u> -</u>
Balance March 31, 1999	<u>\$ 1,690,186</u>	<u>\$ -</u>
TOTAL FUND BALANCE	<u>\$ 5,518,063</u>	<u>\$ (36,334)</u>

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

WILLIAM R. HULSEY
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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, 1999. 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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caldwell Parish Housing Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Caldwell Parish Housing Authority's compliance with those 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, 1999. However, the results of my auditing procedures disclosed instances of noncompliance with those 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



August 16, 1999

CALDWELL PARISH HOUSING AUTHORITY
COLUMBIA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 1999

FINDING 98-1:

CONDITION:

Executive director who was a contract employee was allowed to participate in the defined benefits plan.

RECOMMENDATION:

Housing Authority should hire Executive Director as an employee thus making him eligible for the plan.

CURRENT STATUS:

Housing Authority hired the Executive Director as an employee.

FINDING 97-1:

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, 1999

FINDING 99-1:

Statement of Condition:

During my testwork, I found that funds on deposit were undercollateralized six out of twelve months.

Recommendation:

I recommend that the Housing Authority request the custodial bank to pledge adequate securities to cover deposits in excess of amounts insured by FDIC and FSLIC.

Response:

The bank has pledged \$50,000 in securities to cover unsecured amounts. Completed August 17, 1999.

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

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

I have audited the financial statements of Caldwell Parish Housing Authority, as of and for the year ended March 31, 1999, and have issued my report thereon dated August 16, 1999. 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.

Compliance

As part of obtaining reasonable assurance about whether Caldwell Parish Housing Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

This report is intended for the information of management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of the report, which, upon acceptance by Caldwell Parish Housing Authority, is a matter of public record.

WILLIAM R. HULSEY
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Wm. R. Hulsey". The signature is written in a cursive, somewhat stylized font.

August 16, 1999